Post's Report on Quebec (pages 17-32)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

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The Nation's Business

Stock Racketeers Hit by Governor

To the growing chorus of protest over the failure of securities control in Ontario, Graham F. Towers has added the voice of our most important financial organization, the Bank of Canada. Here is what Mr. Towers says in the Bank's annual report:

"For many individuals, Victory Bonds and war savings certificates purchased during the war period represent the first significant backlog of saving they have ever been able to build up, and it is apparent that some high-pressure promoters of dubious or worthless securities are attempting to exploit these savings.. Security regulation is a provincial responsibility, and it is obviously not easy by means of legislation to prevent activities of a criminal character, without at the same time hampering the desirable flow of capital into legitimate risk enterprise. A satisfactory solution of this problem, where it exists, will require wholehearted and vigilant co-operation from responsible members of the financial community, as well as government administration of a high order."

Through sales of Victory bonds, the committee which Mr. Towers now heads has created at least three million new investors with a real financial stake in Canada.

The Financial Post has exposed the methods of the high pressure stock operators. Newspapers in many parts of Canada have quoted The Post's revelations and given their unqualified support. Before The Ontario Mining Commission, the Toronto Stock Exchange, the Investment Dealers Association, prospectors and others protested vigorously about failure of authorities to halt outrageous operations.

As illustrated elsewhere on this page, officials of other provinces have found it necessary to take space in newspapers to advertise the fact that high pressure stock operators are at work; that the public should be on its guard.

A thorough housecleaning of the present situation can be done in a few minutes with the powers now possessed by the Ontario Securities Commissioner. The Drew administration should delay no longer in seeing that they are enforced.

• • •

REGULATION THAT KILLS JOBS

A big and dynamic group of United States businessmen have banded together in the Committee for Economic Development to make the democratic enterprise system work, and work well. Here is the kernel of the creed and of the challenge which they have accepted as reported under the heading The Postwar World on page 6 of this issue.

"The CED holds as fundamental the belief that the national welfare will be advanced in direct proportion to the number of workers employed by private business enterprise.

"Success in this endeavor will result not only in the elimination of mass unemployment but also in higher standards of living than we have ever known.

"Failure will leave us with the choice of only two alternatives: mass unemployment or mass government employment. The CED believes that the existence of the free enterprise system and of democracy itself depends largely upon our ability to avoid these two dangers after the war."

Now that the Liberal administration at Ottawa, in the speech from the Throne, has formally announced its adherence to a full employment policy, all three chief political parties are committed to that policy. The CCF method of obtaining it involves revolution.

But for Liberals and Progressive Conservatives attainment of full employment is, we presume, to be achieved by some policy designed to let so-called private enterprise do the big part of the job.

Both business and government must therefore subscribe to any and all policies which will give maximum stimulus to business; which will preserve, enlarge and strengthen the capacity of business to give employment.

With this challenge to provide jobs every day growing greater, Ottawa should give immediate attention to one very important way in which regulation now weakens the capacity of business to provide employment tomorrow.

For the sake of collecting a few extra tax dollars today, Ottawa is preventing the growth and strengthening of very important sources of many tax dollars—and jobs—tomorrow.

Ottawa rules this way: No matter how much war has changed the size or character of your business, we will not recognize as a legitimate cost of doing business any increase in advertising expenditures beyond 15%.

First of all this is rank discrimination in favor of the big company and the big pre-war advertiser. But much more serious is the fact that the firm which has increased its job-giving capacity in recent years is deterred from building up its strength, adding to its fortifications, which would enable it to go on being an important job-provider after the war.

During the war, many firms have only one customer—war. After the war they will need many customers. Now they have an organization of workers, executives, plant and machinery. Advertising is one of the chief determining factors in whether or not that productive employment-making entity will hold together in the peace, or will disappear.

"To a great extent, the secret of survival is advertising," a prominent Canadian businessman said not long ago. The capacity of business to give jobs will be the key factor in determining whether we shall make good at home the victory that shall have been won abroad.

The administration should give realistic and prompt reconsideration to a policy that is shortsighted in relation to the near approach of peace and its problems.

• • •

LENDING A HAND TO FREEDOM'S CAUSE

Somebody has said, There's nothing wrong with democracy. It's just that people don't work democracy.

William S. Gibson, president National Cellulose of Canada Ltd., and Dominion Cellulose Ltd., has just set a grand example to all businessmen of how to work democracy. And incidentally, he does an excellent piece of work in the battle to preserve at home the democracy for which the services are fighting abroad.

In a 32-page pamphlet, he sets forth simply his views about the democratic and enterprise systems; tells why he doesn't believe in revolutionary socialism.

Mr. Gibson does more than accept the challenge to "stand up and be counted" on the issue of democracy versus socialism. He lends a hand—and a competent one—to help maintain the things in which he believes.

For at least half a century, machinery has been at work to tear down the system and the institutions which have produced a standard of living higher than the world ever thought possible. For at least half a century the gospel of regimentation has been vociferously preached, finally hatching in totalitarianism, whether called fascist or socialist.

Businessmen, with a few exceptions, have meanwhile remained silent, wrapped themselves in dignity, submerged personalities behind corporate impersonalities.

Mr. Gibson is the kind of man who will save democracy, help make it work well.

More Films From U. K. Here Soon

J. Arthur Rank of Milling Family, Heads Film Merger—Controls U. K. Odeon Group

Major changes in the production and distribution setup of the British film industry are now coming to a head, The Financial Post learns, and should result in a greater number of British movies being exhibited in Canada and the United States, together with a marked improvement in quality of the average British production.

Driving force behind the new British offensive is J. Arthur Rank who is believed to have had some $100 millions to back his enterprises, some of it drawn from the Rank family fortune which grew out of the British milling industry.

For some time past Mr. Rank has been gradually integrating and strengthening the British industry. He is now stated to have virtual control of the production studios, with The Archers, Ltd., the group that produced "49th Parallel" in Canada, as one of his leading producers.

Mr. Rank has also gained control of principal distributing organizations and about 1,000 British theatres mainly in the British Odeon circuit.

Through these processes of integration, Rank has been able to put more money behind individual productions. "Colonel Blimp," now being released on this continent, is the first million-dollar picture to be made in Britain, and is to be followed by seven other high-priced vehicles whose combined cost is to amount to $10 millions. It is understood that Mr. Rank hopes to reach

(Continued on page 2, col. 4)

Low May Head S. Credit Party

Expect He Will Introduce Bond Refunding Scheme in Legislature

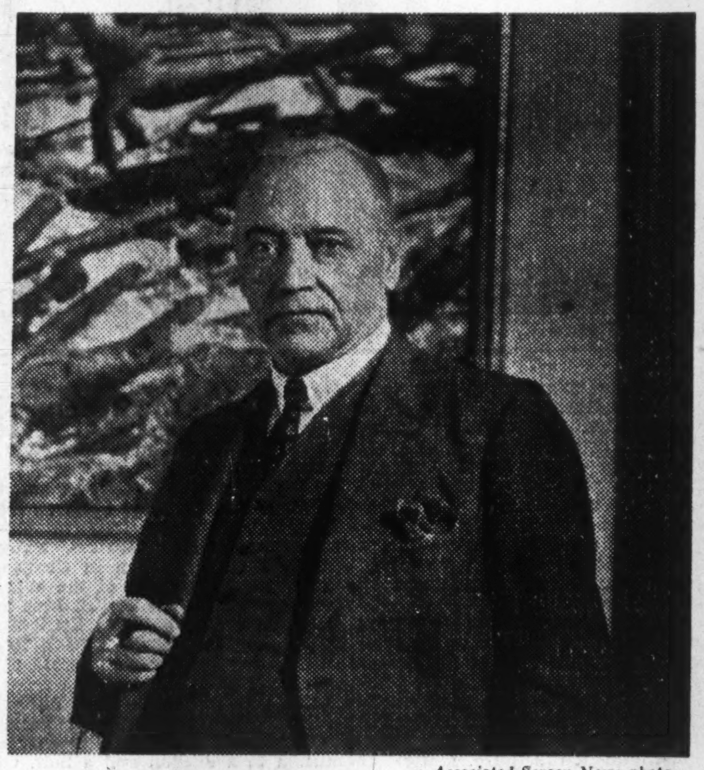
From Our Own Correspondent

EDMONTON.—Provincial treasurer Solon E. Low, 44-year-old champion of refunding Alberta's public debt, is being groomed as national leader of the Social Credit party, according to information received here this week.

Although Mr. Low couldn't be reached for comment, reports persist that parliamentary Social Crediters and members of the New Democracy group are backing the provincial treasurer as the new national leader. The national convention is being held in April in Toronto and if Mr. Low is chosen, it is believed he'll enter the federal field at the next election.

About 18 months after William Aberhart's Government was elected in 1935, there was a split in the Social Credit ranks. Solon Low was among the insurgents. The real break failed to develop and Mr. Low was made provincial treasurer when that minister resigned. He has held that post since. Last June, after the death of Mr. Aberhart, he took on the portfolio of minister of education.

Since he became provincial treasurer, interest on Alberta bonds was halved by the Government. The financial position of the province has improved so that many believe the Government now can refund all its debt at a suitable rate of interest. Solon Low is trying to do that.



—Associated Screen News photo.

HEADS EASTERN LUMBERMEN

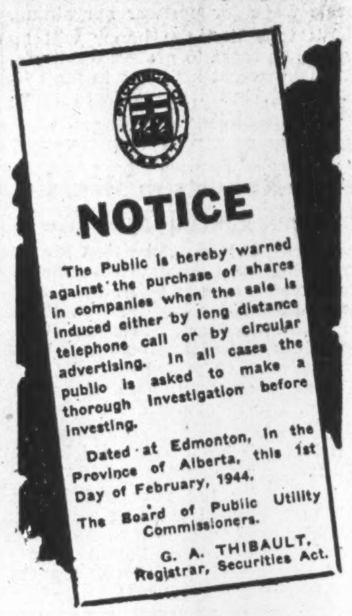
Montreal Irish-Canadian S. C. ("Sam") Thompson, in his elevation to the Canadian Lumbermen's Association presidency, receives outstanding honor from several hundred Eastern Canada lumber manufacturers, wholesalers and retailers who make up the 36-year-old CLA's membership. Mr. Thompson, lumber sales manager of Canadian International Paper, knows the business in Canada and U. S. closely. Native of Belfast, Sam Thompson began his Canadian lumber career early in life with Perley & Pattee, Ottawa,

Share Pushers Use Fake Sale Scheme

A favorite device of the high pressure stock operator is the fake stock confirmation.

It works this way: John Public receives in his mail an authentic looking document "Confirming Sale to You" of a block of stock. This may or may not be the first time John Public has ever heard of this particular stock, let alone that he had "bought" some of its shares. Usually a covering letter thanks him for "any further business" with which he may entrust this particular stock operator.

Incredible as it may seem, this phony method of stock selling has been tried many times. It frequently works, hence is being continued. The high pressure operator apparently finds from experience that by following up a sales talk "turn down" with a "sales confirmation" he can get more victims.



NOTICE

The Public is hereby warned against the purchase of shares in companies when the sale is induced either by long distance telephone call or by circular advertising. In all cases the public is asked to make a thorough investigation before investing.

Dated at Edmonton, in the Province of Alberta, this 1st Day of February, 1944.

The Board of Public Utility Commissioners.

G. A. THIBAULT, Registrar, Securities Act.

Authorities in many parts of Canada have expressed alarm over the present securities sales situation. Here is an example of advertisements used in Alberta. The Saskatchewan Attorney-General recently issued a similar warning.

Or he can work it another way. His "sales confirmations" to complete strangers to whom he has never given his sales talk are sometimes sent out "selling" at a price below the current market price. In other words, the recipient of the fake sales confirmation may be deceived into thinking he has already made a profit.

If just one fake confirmation in ten "clicks," the high pressure operator is still away ahead of the game. He may have to pay only 20% of the sales proceeds to a mining company treasury or "wholesaler" to fill the order.

Five Toronto stock firms sending out these fake confirmations have come to the attention of The Financial Post in the last year. Only one firm, however, has had to discontinue business.

All these fake confirmations reported to The Post—or "clerical errors" as they are doubtless called when brought to the attention of the perpetrators—originated with high pressure stock operators notorious for their sales methods.

Recently the Ontario Securities Commission sent out a directive which it was thought might discourage the fake confirmation

(Continued on page 5, col. 4)

Aid Sought Build Roads After War

Provincial Governments Approach Ottawa—Ilsley Says up to Ministry of Reconstruction

From Our Own Correspondent

OTTAWA — Provincial highway ministers interviewed members of the Federal Cabinet Tuesday to see if they could get any federal money for after-war provincial roads projects, but they got no assurances on the subject. Decision on all such matters, they were told, would be primarily for the new Minister of Reconstruction, who has not yet been named. Also asked is Dominion contribution on a permanent basis.

Mr. Ilsley, it is understood, was the principal spokesman for the federal government.

The provincial delegation presented a short brief, and each spoke briefly. Their proposals were reported to be largely exploratory, with little detail. Mainly, they wanted to know how much federal aid, if any, they could expect before launching into postwar highway plans that might overstrain provincial budgets.

Mr. Ilsley is reported to have told them, in effect, that this was a subject within the purview of the Reconstruction Minister. Furthermore the Finance Minister pointed out, it involved the vexed question of financial relations between Dominion and provinces on which a conference is to be held at Easter here.

Crux is Taxation Powers

Nothing was said about it at the meeting, but observers here doubt that the Dominion Government will enter very enthusiastically into joint spending schemes until some clear understanding has been reached about taxation powers. At present Ottawa has exclusive rights to the income tax and corporation tax field, but this privilege expires with the War Measures Act. Indications are that the Federal Government believes income tax should remain the Government's major revenue source after the war.

Unanimous as the provinces were in their desire to have Ottawa spend money on their roads, they are unlikely to be so unanimous in support of any proposal to curtail their taxing powers.

Some provinces contend the Dominion should pay 50 to 85% of cost of provincial highway programs to forestall unemployment.

British Columbia is reported preparing a $225 millions program and Ontario one at $150 millions to include its municipal road system. Other provinces too are shaping ambitious road-building schemes and some have progressed in part to physical plans and surveys.

See Big Sale Wheat to U. S.

If freight cars are available, Canada will export 175 million bushels of wheat to U. S. in 1944, Trade Minister MacKinnon told the House of Commons this week. Plans are being made by the U. S. War Food Administration, through the Commodity Credit Corp. Between Dec. 13, 1943, and Feb. 10, 1944, Canada sold about 18 million bushels of wheat for shipment by rail to U. S.

Since Dec. 13 U. S. railways have delivered 5,561 American freight cars to Canadian railways for transporting wheat. More U. S. freight cars are arriving daily at border points.

New Subsidies Boost Ottawa Spending

Estimate War Expenditures Lower This Year But Cost of Food and Wage Bonuses Up Sharply — War Appropriations Said "Solemn Guess" Only

From Our Own Correspondent

OTTAWA.—Canada's war appropriation bill for 1944-45, introduced to Parliament by Finance Minister Ilsley last week, shows a net reduction of $240 millions from the 1943-44 estimate. By a curious anomaly, the estimated expenditures of the armed services themselves are reduced even more than that, by a total of $347 millions. Bulk of the difference is composed of increases in the war expenditures of peacetime departments.

Munitions and Supply, really as much a war department as the services, shows a modest increase of $17 millions. But the ordinary civil departments, from Agriculture to Transport, show a whacking rise of no less than $127 millions in their estimated "war expenditure" for the coming over the past year. The discrepancy in the figures is eliminated by the "active assets," recorded as $30.5 millions for next year as against $65 millions for last, and a slight reduction in the small amount allowed for "contingencies."

Solemn Guesswork

Actually, of course, this is all solemn guesswork. War expenditures are unpredictable. The service estimates are correct today; tomorrow, a new development on the battlefronts might throw them completely off. Even the peacetime departments' war expenses are subject to drastic change. Some of their sharpest apparent increases, in fact, are increases only over the amounts estimated for last year, not over amounts actually spent — midyear policy changes created the expansion. A notable example is the payment of subsidies to food and other producers, which account for about $82 millions of increase in Agriculture and Finance Department totals. Similar changes in the months to come may raise or lower the estimates now before Parliament.

With these qualifications in mind, it is instructive to run over the breakdown of war expenditures, put into Hansard by Finance Minister Ilsley last week with the 1943-44 and 1944-45 figures given for each item.

Armed Services

First come the armed services, down $347 millions. Army estimates are cut $229 millions, Navy, $79 millions, Air Force, $39 millions. In each case the reduction can be located in the purchase of ammunition and bombs, armaments, and vehicles from trucks to tanks. All these, as well as other supplies like food and clothing and medical equipment, are sharply down, offsetting some increases in other items like pay and allowances.

Mr. Ilsley explained: "We have reached or are reaching the point where . . . we can deliver against the enemy that overpowering weight of armed power which is essential for victory. . . What is now primarily necessary is to provide equipment and supplies to repair the wastage."

In other words, we've got most of the guns, tanks, planes, shells and ships we need. Now we've merely to maintain the flow.

Munitions and Supply's $17 millions increase is, in fact, hardly an increase at all. It represents almost

(Continued on page 2, col. 3)

See New Labor Code Cause of Controversy

Dual System of Tribunals to be Setup From Which There Will be No Appeal — Four Alternatives Face Government

From Our Own Correspondent

OTTAWA.—Canada's new labor code, likely to be tabled in Parliament immediately, is expected to call forth another uprush of the controversy which has already raged around the Government's new wage control order.

According to unofficial forecasts, the labor code will set up in effect a dual system of labor tribunals throughout Canada. By the wage control order, regional war labor boards are set up to deal with wage issues, and these are responsible to and controlled by the National War Labor Board at Ottawa, to which all their findings may be appealed. Under the labor code, all questions of labor relations outside of wages will be referred to provincial labor relations boards, from whose decision there will be no appeal.

In actual practice, one board may serve both purposes in any given province—but that will be for the province to decide. If it wishes, it can appoint a labor relations board of its own.

Is "War Industries" Code

Application of the federal labor code will be limited to "war" industries, definition of which has been a major technical problem in framing the order. This limitation is a concession to Quebec. The other eight provinces, in a conference held at Ottawa before Christmas, wanted the same wartime code applied to all industry, but Quebec held out for its "autonomy" in non-war industry and won its point.

Major provisions of the code, it is expected, will be compulsory arbitration and compulsory collective bargaining. The former is a concession to management, the second a concession to labor. Actually, however, the attempt will be to keep arbitration to a minimum, and provide as fully as possible for grievance machinery between the contracting parties without Government intervention.

In imposing compulsory collective bargaining, great care is being taken to define the proper method of certifying the bargaining agency. On both counts, full precaution will be taken to forbid strikes over grievances in violation of agreement, and strikes for "union recognition."

Originally slated for tabling in the House Tuesday, the labor code developed kinks in the drafting stage.

Wage Order Complaints

P. C. 9384, one section of which went into force this week, has been subject to attack on many grounds, but they break down into two broad categories, the essential and the non-essential.

Attacks on the non-essential have come with fire and thunder from all parties, including the Liberal, and from Labor. These are the attacks on the order's penalty clauses, with their placing of the burden of proof on the accused in charges of striking illegally; on the revised constitution of the National War Labor Board, with its alleged "dilution" of labor representation; on the absorption of the cost-of-living bonus into basic wage rates. This last feature is the only part of the order to go into effect this week. The rest of it has been in force since last Dec. 9.

Attacks on the essential portion of the wage order have come only from organized labor and, in Parliament, from the CCF. This essential portion is Section 20, the new criterion of wage control, which replaces Section 25 of the old wage control order, P.C. 5963.

Labor Protests Prices Clause

Under P.C. 5963, wages could be raised only if they were shown to be below other comparable wages prevailing in a given locality or occupation. This gave no protection to workers in regions or trades wherein all wages are substandard, and there are many such in Canada.

The new order, P.C. 9384, tried to get around this difficulty. It gives the National War Labor Board discretionary power to raise wages in order to "rectify a gross inequality or gross injustice." This is the formula suggested by the McTague Report. But the order carries another stipulation, put in at the Finance Department's insistence. It declares that no such increase shall be grant-

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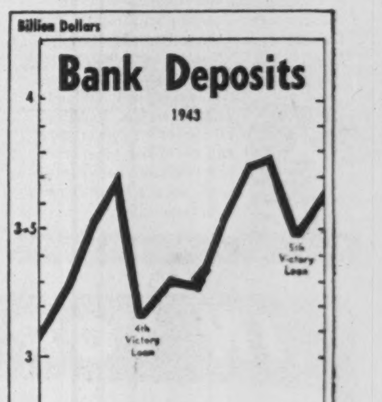
Pace of Business



Although depositors in the Canadian banks invest hundreds of millions in each victory loan, the high national income enables them to rebuild their accounts quickly. The chart shows that while total public deposits in Canada dropped $542 millions at the time of the Fourth Victory loan last May, before the fifth loan campaign they had recovered the decline and risen to a new high level. They dropped $286 millions in November after the fifth loan campaign, but by Dec. 31 had made up more than half the November drop.

Says Britons Oppose Cheap Food Flood

Postwar Market Available For Canada, But On New Terms

By K. R. WILSON

EDINBURGH — If present plans mature, Canada can be assured that her present British agricultural markets will be maintained through 1947.

—Photo by Karsh.
K. R. WILSON

Coupled with this, however, is the blunt objection to U. K. markets ever again being flooded by cheap food from abroad, thus undermining present farm price and wage structures.

This year marks the termination of the present goal in Britain's rising domestic agricultural program. This year Britain expects to have 12 million acres under crop, compared to 11.5 millions last year and less than 7 millions when the war began.

The reason for setting 1947 as the continuing goal is that the demand from war-starved Europe is expected to make even greater claims on British agriculture than the present huge wartime burden.

After 1947 the equation in British agricultural production and overseas imports from Canada and other countries is stated as very simple. High and rising nutrition standards are expected to require everything the British farmer can produce, plus everything Canada, New Zealand, Argentina, Denmark, Australia and other importers will want to supply.

This point was underscored this week by Sir John Russell, head of the Inter-Allied Committee on European Rehabilitation, who said postwar Britain would have to import at least 50% of its food. He added, "Before the war world food production was determined solely by the movement of prices. After the war it should be determined by human needs."

But the price of entry to this importers' promised land is put bluntly as the requirement that countries which wish to enjoy it must be prepared to take a corresponding amount of British exports in return.

It is unlikely that Canada's role in sending an increasing wartime flow of agricultural products will count for much after 1947 unless we ourselves are prepared to face the realities of Britain's probable postwar position.

Once peacetime trade is restored Canada's assets will be chiefly the wartime experience that has been gained, plus whatever concessions and opportunities we can throw in the way of hard-pressed British exporters, fighting the toughest battle in commercial history to make trade ends meet.

When one comes to Britain he is apt to believe that Canada is more dependent on her export trade than any other country. The British view is that Canada, with her rich material foodstuffs and other resources, could long prosper even if her exports were limited. On the other hand, lacking domestic foodstuffs and raw materials, Britain must export to pay for her essential imports or die. This is more true than ever now, with much of Britain's investments abroad obliterated or liquidated as a result of the war.

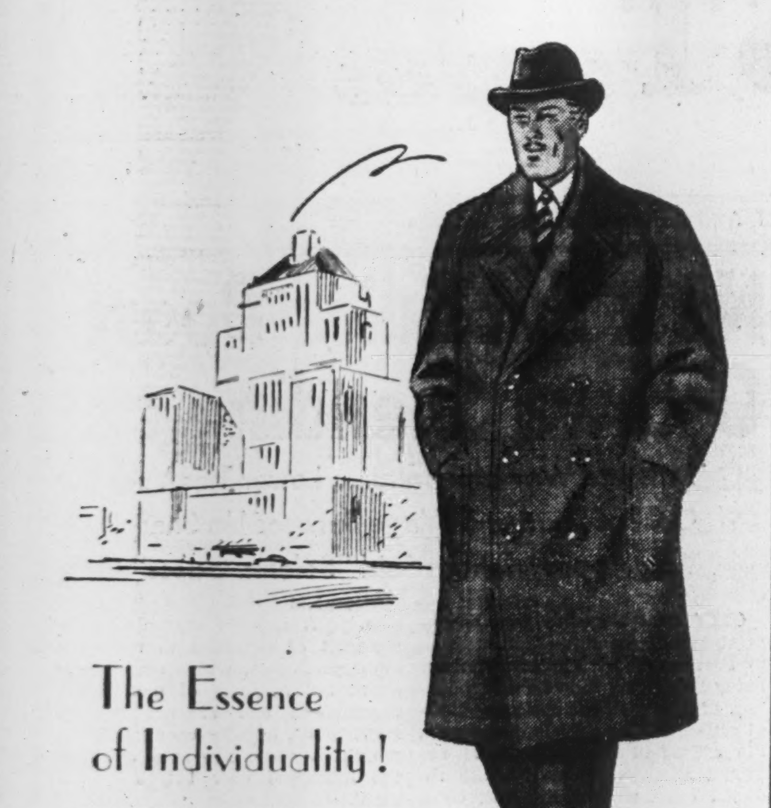
It is not clear whether the ex-

(Continued on page 4, col. 4)

Kenneth R. Wilson, Ottawa correspondent of The Financial Post, is now in Britain with a group of Canadian editors at the invitation of the British Ministry of Information.

In the accompanying cable he discusses the possibilities of British postwar markets for Canada's agricultural produce.

EATON'S - COLLEGE STREET



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MEN'S SHOP

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Choose now from our collection of distinctive British materials.

LEVY BROS.

69 WEST KING STREET, TORONTO

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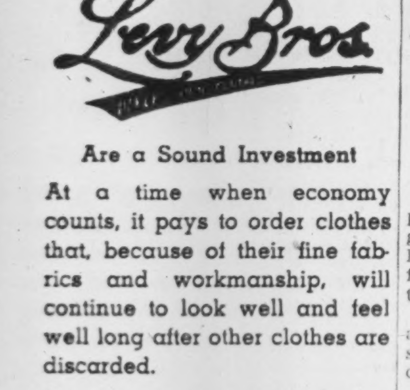

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AD. 5733

City & District Bank Advances

Deposits gain sharply.
Investments show increase.
Profits at new high.

From Our Own Correspondent

MONTREAL.—Large gains in deposits and investment holdings, together with net profits at the highest level in the history of the institution, feature the Montreal City and District Savings Bank report for 1943.

Net profit for the past year amounted to $398,443 or $19.92 a share. This compares with $387,783 or $19.39 a share the year before.

Profit and Loss Account
Years Ended Dec. 31

	1943	1942
Net profit	$398,444	$387,783
Less: Dividends	280,000	280,000
Donations	16,450	13,350
Balance	101,994	94,433
Previous balance	243,906	149473
To reserve	200,000	......
Balance forward	145,900	243,906

Balance sheet shows the usual strong position, total of cash and other readily available assets at $84.6 millions being equivalent to 105.8% of all liabilities to the public, as against 106.7% a year ago.

Among balance sheet changes, interest bearing deposits have risen by $12¾ millions to $77.2 millions. Cash is higher, while holdings of Dominion and Provincial Government bonds at $52 millions are up nearly $10.4 millions.

Years Ended Dec. 31

Liabilities	1943	1942
Deposits	$78,754,753	$66,041,375
Charity fund	180,000	180,000
Other liabs.	1,239,032	2,377,446
Capital stock	2,000,000	2,000,000
Reserve fund	3,500,000	3,300,000
Surplus	145,900	243,906
Divds. payable	80,000	......
Divds. due	661	......
	85,900,346	74,142,727
Assets		
Cash	$9,155,853	$7,418,602
Govt. bonds	51,996,983	41,618,141
Mun. bonds	14,745,355	15,141,546
School bonds	228,481	183,931
Utility bonds	5,373,240	5,256,510
Sundry secs.	200,000	200,000
Call loans	2,982,999	3,106,621
Charity fund	180,000	180,000
Bank premises	1,000,000	1,000,000
Other assets	37,435	37,376
	85,900,346	74,142,727

MANUFACTURERS

If, as result of lessened war material demand, or otherwise, you have building and yard space available in Toronto area, and desire utilizing same to mutual advantage, write advertiser,

Box 44, The Financial Post, Toronto.

New Subsidies Boost Ottawa Expenditures

(Continued from page 1)

entirely the margin by which last year's actual expenditures outran estimates.

Subsidies Are Up

Among the war expenditures of the peacetime departments, Agriculture is out in front with a jump of $59.4 millions. Of this, $47.6 millions are taken up by subsidies to food producers, part of the Ilsley price control program—$45 millions to milk producers, the balance for fruits and vegetables, to keep them under the price ceiling.

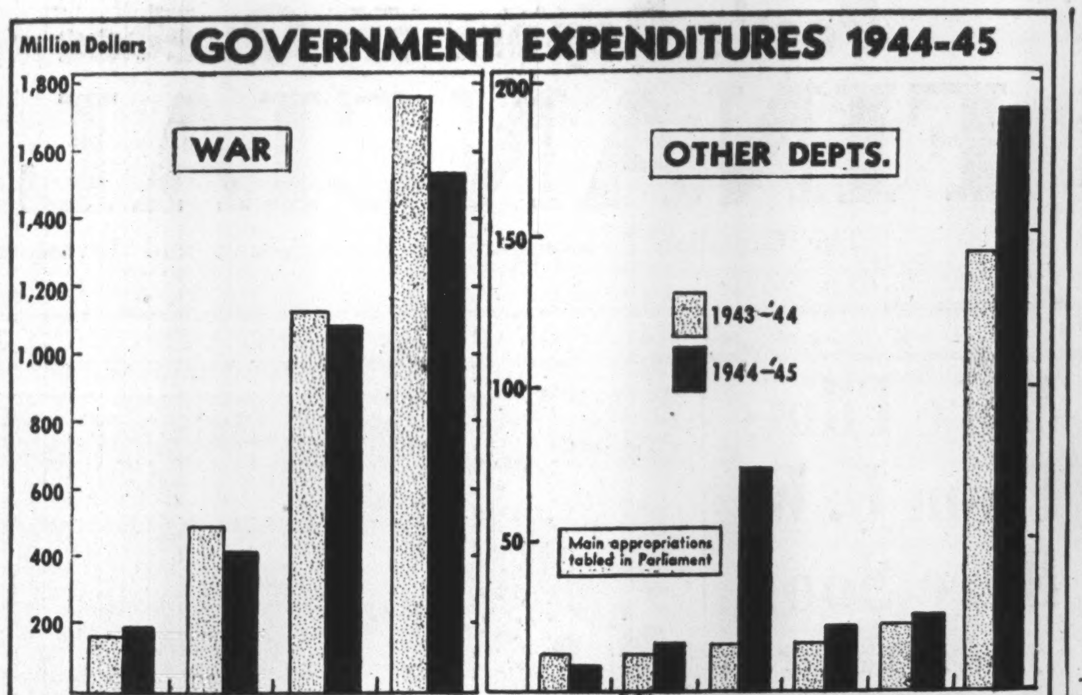
The rest of Agriculture's hump is accounted for by the Government's program of stimulating livestock production. Subsidies to western wheat used exclusively as livestock feed, were tripled last year; result: a total expenditure rising from $2 to $8 millions. Freight assistance on western feed grains used to be limited to one third of the freight charge on eastbound grains only; last year it was raised to include the entire cost, and extended to cover shipments to British Columbia as well. Total outlay jumped from $8 to $16.5 millions. The other increases in Agriculture spending, though numerous, are smaller.

Finance Department

Finance Department is the next big war spender on the list, up $48 millions. Of this, $20 millions is added to the Commodity Prices Stabilization Corporation, and $15 millions are a new expenditure, subsidies to millers and other manufacturers. Both these items are part of the price-control subsidy program.

There is also a "war" expenditure of nearly $7 millions charged to old-age pensions and pensions for the blind. This represents an increase in pension authorized in lieu of cost-of-living bonus.

Labor Department war expenditures rise by $3.4 millions. Most of this is due to expansion of National Selective Service, which has taken on a bigger staff and more premises to the tune of $2.3 millions. Other new expenditures are for day nurseries, recruiting and transport of farm labor, compulsory transfer of coal miners ,etc.



One interesting labor item is a new expenditure of $450,000, marked "stabilization of longshore labor, Halifax." This grew out of the longshoremen's strike in the eastern Canadian port. On June 25 last year, Order-in-Council P.C. 5161 was passed providing for the maintenance of a full labor force on the Halifax docks, and guaranteeing these men a stipulated weekly wage.

The foregoing items account for more than $110 millions of the total $127-millions increase among peacetime departments. The rest is composed of a conglomeration of smaller items, offset by some equally trivial reductions here and there. Sometimes it's a pure matter of bookkeeping. For instance, "war" outlays of the Department of State have dropped from $45,000 to $11,000, not because of any startling economies, but because Mr. Ilsley decided that a group of employees, passed last year as engaged in "war" work, were not properly chargeable to the war budget. Back these civil servants must go on the State Department's ordinary estimates, which will rise by the same $34,000 as its war estimates have dwindled.

One large increase is in the National War Services Department under the heading Auxiliary Services, up from $7 to $12 millions. These services include YMCA, Knights of Columbus, Salvation Army, etc., which have been steadily expanding their facilities with Government aid since war broke out. Reason for this year's big jump is threefold—more men in the services, wider spread of the garrison in Canada, and above all, exodus of the overseas forces from the British Isles to North Africa, Sicily and Southern Italy. Auxiliary services have followed Canada's invasion forces all the way.

Another increase in National War Services outlay is for postal censorship, up from a little over a million to a million and a half. Of the increase, $376,000 is credited to salaries of additional staff, and raises in pay for previous employees. Similar expansion is noted in the war work of the Royal Canadian Mounted Police, whose war budget is up nearly half a million. Half of this sum is occasioned by last year's increase in pay rates, and by adjustments in strength. Extensions to barracks, supplies and various forms of service complete the list.

In the Transport Department considerable expansion is noted in marine services, largely because many ships which once were seasonally operated are now in service the year round. Biggest single addition in this department is about two millions in grants to the CNR for the iron ore development at Steep Rock on Lake Superior. This is practically new expenditure—the $400,000 credited to this in last year's estimates was merely preliminary. Project involved construction of a spur rail line, dock facilities, etc.

Wartime Information Board's estimate is up $338,000 over the original estimate for last year, but all but $42,000 of this margin has been eaten up in the meantime, by actual expenditures. New staff, new salaries, new programs account for it all.

Postwar Planning

An interesting feature of the current "war" estimates is the provision in several departments for postwar planning. Mines and Resources allots $420,000 to this purpose, Public Works an item of $95,000 in the Chief Architect's branch and $146,000 in the Chief Engineer's branch. The items are self-explained—"Postwar construction program, surveys, preparation of plans and specifications, etc."

See New Labor Code Cause of Controversy

(Continued from page 1)

ed unless it is "consistent with the ability of the employer to pay . . . without increasing the price of (his) product."

Labor and the CCF are against this clause. Neither has ever paid more than the faintest lip service to the principle of inflation control. Of Section 20, Stanley Knowles of Winnipeg, speaking in the House as the CCF spokesman on this wage order, said last week: "The order makes possible the freezing of gross injustices, practically in so many words; for it is provided that nothing can be done about changing wage rates unless there are gross injustices or inequalities, and even then nothing can be done by way of raising those rates if that would increase the price of the product the manufacturer has to sell."

Prog. Conservatives Mum

Progressive Conservatives have been mum about the essence of wage control. They have concentrated all their fire on such things as the penalty clauses, the burden of proof on the accused, the bonus absorption, the enlargement of the Labor Board without extra Labor members, and the general principle of passing such important decrees by order-in-council instead of by statute. Rebel Liberals, mostly but not all from Labor-potent British Columbia, have taken the same tack.

Neither Progressive Conservatives nor rebel Liberals have explicitly disavowed the wage and price control principle. But both have allowed it to be inferred that they are against P.C. 9384 in its entirety. Neither has suggested any alternative criterion, to replace the "gross inequality and gross injustice" formula suggested by Mr. Justice McTague. They are content to ride on Labor's bandwagon and denounce the Government without being too specific about positive measures to be taken instead.

Amendments Promised

Prime Minister Mackenzie King promised a week ago that "certain amendments" would be made to the wage control order, as soon as all representations on the matter had been heard by the Government.

It is a safe prediction that most of the non-essential features to which objection has been taken will be dropped. Certain to be changed are the notorious penalty clauses, Sections 33 to 41. Nobody wanted them anyway, except the Department of Justice, which put them in to make prosecution easier.

Other departments having to do with the framing of the order took a dim view of all this. They sardonically point out, however, that under the old P.C. 5963 the burden of proof was put on the accused employer, and nobody squawked. P.C. 9384 merely extends the same principle to employer and worker alike, and the result has been loud howls.

Would Hold on Price Control

Also likely to be reconsidered, though less likely to be ditched, are sections declaring National War Labor Board rulings "final and conclusive for the purpose of any proceedings in any court taken pursuant to this Order, and not subject to review by such court"; sections giving the National War Labor Board a pretty strict control of regional boards; and similar items.

Many of these objectionable features were sorry compromises between opposing points of view. Take, for instance, the enlargement of the National War Labor Board to six men, and the resultant "dilution" of labor's "representation." Of the six, one is named as a labor representative, one as an employer representative, two as "public" representatives. The other two are to be chairman and vice-chairman.

Nobody knows just who thought up the idea of a six-man board, but the composition of it is a straddle between the McTague Report and the Cohen (minority) report of last summer. Mr. Justice C. P. McTague and his colleague Leon Lalande recommended that the War Labor Board be a tribunal, its members having no connection with either labor organizations or industry, and that it get clear away from the "representative" principle. J. L. Cohen, dissenting Labor Board member, urged the very opposite. In his view, the Labor Board should be a wholly "representative" body composed of labor and management nominees in equal numbers, with an impartial chairman. Framing the order, the Government tried to adopt both these incompatible viewpoints, with sad results.

That, like other non-essential features, is likely to be changed. But on the essential question of Section 20, the backbone of wage-price control, the Government is expected to stand fairly firm.

Four Ways To Jump

The Government has, in this matter, four alternatives:

1. It can abandon inflation control altogether. Nobody openly advocates this, although labor has come pretty close to it sometimes. In any event, for the Government it would be an unthinkable step.

2. It can stick to the "gross inequality and gross injustice" formula of P.C. 9384, and ignore protests.

3. It can go back to the regional or occupational comparison principle of P.C. 5963, which was denounced hotly enough in its day but not, in the kindly light of memory, as hotly as 9384 is being attacked now.

4. It can let wages run up under a less rigid control principle, such as the "free bargaining under 50 cents" suggested by the McTague and Cohen reports, and then use the subsidy method to preserve the price ceiling. This is held to be a most unlikely step. Finance Minister Ilsley explicitly renounced the principle of it, when he granted an increase in the price of coal after miners had won a wage boost. Most people think Ilsley would resign rather than let subsidies be used to prop wages.

Maybe there is a fifth alternative, but nobody around here seems to have hit upon it yet.

Bonus Change Doubtful

As for the cost-of-living bonus, it's doubtful if anything will be done about it.

Progressive Conservatives have lambasted the absorption of bonus into wage rates as if it were a blow to labor, but the CCF has been significantly silent on this point. Actually, the change gives labor a considerable advantage. The bonus used to be rigid—overtime did not increase it. Once it's merged with the basic wage rate, as it has been since last Tuesday, a man's overtime rates are proportionately increased. Also, the bonus was flexible downward as well as upward. Now it's been frozen at the peak, and made part of the basic wage for postwar bargaining.

It's true that the bonus will no longer be there to protect the workingman against increases in the cost of living, but it never was much protection anyway. Besides, the preamble of the new wage control order specifically announces that henceforth, "all practicable measures" will be used to prevent the cost of living from rising, with "further appropriate action to be considered in the event that an appreciable continued change in living costs renders a review of such policy advisable."

Unofficially, this is said to mean that if the cost-of-living index rises three points, the control program will be overhauled.

Carricona Gold Mines has traced its main vein an additional 75 ft., increasing known length to 275 ft., Vice-president W. T. Dean reports. The shearing in the additional part is said to be about 9 ft. wide carrying gold values. A 50 ft. wide mineralized zone is stated to have been located about 200 ft. west of the main showing. No work has been done on this yet, but Mr. Dean reports it looks promising.

More Films From U. K.

(Continued from page 1)

an arrangement which will permit him to hire American acting talent as well as British, thus ensuring productions that will sell in both markets.

For the U. S. and Canadian market, Arthur Rank is stated to have formed a new distributing organization headed by Arthur W. Kelly who, until last week, had been first vice-president of United Artists Corp. In Canada this is expected to find one of its main outlets through the Odeon Theatre chain that had partially completed its growth at the time N. L. Nathanson, its chief organizer, died last year.

Net result of Mr. Rank's expansion program is that he will be able to talk turkey to Hollywood motion picture interests on the matter of reciprocity in exchange of films and actors between Britain and United States. Already turning out better films, Mr. Rank is expected to have the additional and powerful argument of control of most of the film outlets in Britain.

P. L. Robertson Mfg. Co. Shares Listed Toronto

Shares of P. L. Robertson Manufacturing Co., Milton, Ont., manufacturers of screws, bolts, and rivets, were posted for trading Feb. 16 on the Toronto Stock Exchange. Outstanding capital includes 6,006 shares of $2.50 preferred and 60,060 shares of common, both of no par value. The company has no funded debt.

Dividends have been paid by the Robertson Company since 1926.

Report for the year ended Dec. 31, 1942, showed working capital of $874,761, and surplus of $778,994. Net profit for that year, including $44,067 refundable taxes, was $241,297 against $242,031 in 1941.

Investor's Index

Feb. 19, 1944

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Bruck Silk	16	Maple L. Gdns.	13
Can. Car	7	Mercury Mills	11
Can. Pacific	4	Montreal Loan	13
Can. Wire & C.	10	Montreal Trust	13
Catelli Food	10	Mt. Royal Hotel	13
Cockshutt Plow	13	Northern Life	10
Dairy Corp.	4	Quebec Power	16
Dom. Life	10	P. L. Robertson	2
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Ammunition FOR THE UNITED NATIONS

Thousands of men and women behind the lines are risking life in many factories, turning out ammunition for every fighting front. Without the dangerous, unceasing toil of these men and women, the fire-power of our armed forces would dwindle; we could not be sure of victory. The Bank of Montreal is working constantly to supply needed banking service to the workers and management of war industries.

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A 173

Keeping Posted

Paper conservation is one of the problems that has involved Post workers in strenuous planning and adjustments all along the line.

During 1943 The Financial Post used 21.1 tons less newsprint than in 1942. In every respect we are co-operating fully with the Printing and Publishing Administration of WPTB.

Though we have been saving paper, editorial service to readers has in no way suffered. Tighter writing and editing can achieve wonders. In this week's issue of The Post there are over 100,000 words of editorial matter. By saving one needless word out of every 10 needed words, editors give themselves an extra eight to 10 columns of space.

We are using slightly smaller type for some articles. Size of headings has been reduced. Fewer pictures are used. Columns have been lengthened by cutting down the date line at the top of each page. Various means have been adopted to reduce waste of printed copies.

* * *

Kenneth R. Wilson, The Post's resident Ottawa editor, now travelling in the United Kingdom, this week cables a significant report from Edinburgh, see page 1.

* * *

H. Napier Moore, editor, Maclean's Magazine, is doing an important report for next week's issue on the outstanding postwar planning conference held in Quebec under auspices of the Engineering Institute of Canada.

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Well-known business man with $200,000 desires to purchase outright or control of a sound business to operate himself. Strictly confidential. Box 41, The Financial Post, Toronto.

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To Canada, these war years have been years of transition — mammoth new power developments, acres of industries in former waste land, new motor highways, mass movement of population; expansion, restrictions and regulation of foreign trade, decrease in private debt, development of diversified farming.

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LONDON CALLING by Adelphi

Tory Defeat in Yorkshire Points End to Party Truce

By ADELPHI

LONDON.—Make a note of Skipton. It is a farming constituency in the west riding of Yorkshire which has just returned a Common Wealth candidate in a by-election and rejected the government Tory candidate in spite of being told what to do by the three leaders of the Conservative, Liberal and Labor Parties.

Therefore I suggest we carefully note the name of Skipton for, unless all calculations are wrong, it marks the beginning of the end of the party truce. And if the party truce disappears, can a general election be far behind?

This time they cannot blame that useful old rascal "General Apathy." In fact the Government probably wishes there had been rather more apathy. Nearly 70% of the available electorate turned out and voted like sturdy citizens.

No doubt the farmers' quarrel with the Minister of Agriculture had something to do with it. But it is not in the nature of the British farmers to vote against a Tory merely because of a grievance. If that were so the Tories would have been out of power years ago.

No. The reasons go deeper than that. My own guess is that the Government, being obsessed with the conduct of the war, does not seem to the public to be grappling with the problems of the peace. That may be unfair, but the public, rightly or wrongly, is not impressed with the activities of the two planner Ministers, Sir William Jowett and Mr. "Shakespeare" Morrison as planners. Nor has the appointment of Lord Woolton as super-planner-generalissimo roused the enthusiasm that was expected. His statement that this would be a much poorer country after the war was a shock to those people who look for an endless rosy dawn when the guns stop belching.

* * *

Tends to Overlook War

Sir Richard Ackland's Common Wealth Party has no responsibility for the war and takes little interest in it as a campaigning factor. It gracefully ignores the unpleasant truth that when Germany is beaten we must engage in a long and bloody struggle against Japan.

The Common Wealthers cannot be bothered about that. Their idea is that as we are spending about £13 millions a day on war expenditure we ought to declare a bonus when the fighting stops. Nothing is so mad as the statement one hears over and over again: "If we can spend £13 millions a day on a war then we can spend enough to give everybody good jobs, good pensions, good wages and security afterward."

All these things should be possible but if so it will be despite the cost of the war not because of it. As well might it be said of a man who had spent all his savings on an operation for his wife, that he ought to buy a new motor car and a better house. If he could afford the operation then why not the house and the car?

It is too bad that we cannot confine soap box political philosophy to Hyde Park.

* * *

A Little Party Boom

I predict a Common Wealth boomlet now. Already there is a tacit alliance between the I.L.P. and the Acland forces. Maxton and his merry men have spoken on Common Wealth platforms and to good effect. The two parties are now of equal strength in the House of Commons—three each. And after all why should Dumas always have it his own way? Instead of the Three Musketeers, why not the Six Musketeers?

All of which brings us once more to that enigmatic figure, Sir Stafford Cripps. At the moment he is muzzled. He is manufacturing airplanes, and as a Minister cannot speak all the thoughts in his mind. But he has to think of his future and, believe me, he is not unambitious.

He is still an exile from the Socialist Party. With its sure instinct for slow but certain self-destruction, the Labor Party threw him out because the confounded fellow kept on advocating Socialism. He was as bad as Litvinoff who shocked everybody by his levity when, at the first Disarmament Conference, he suggested that all the nations should disarm.

These things are simply not done.

* * *

What of Cripps?

It is unlikely that Sir Stafford Cripps will make peace with the Labor Party. Not only does he resent his expulsion, but his local Association in East Bristol has been outlawed by the party. When Jenny Lee ran against Lady Apsley in the by-election caused by Lord Apsley's death in action, the Cripps organization supported Jenny. This was embarrassing for everybody.

Three party leaders in the Government all sent telegrams of support to Lady Apsley. Now Sir Stafford was a member of the Government. Yet his organization supported the guerilla candidate, if one may use that expression about so attractive a young woman as Jenny Lee. Therefore Sir Stafford is a man, perhaps not in search of a soul, but certainly in search of a party. On deduction, Common Wealth supplies the answer.

* * *

Then there is J. B. Priestley to consider. Priestley and Sir Richard Acland were accomplices in the early days of Common Wealth; then they quarrelled and separated, but I refuse to believe there was a divorce. It is notorious that people who were once fond of each other are very apt to come together again after a separation. I would not be at all surprised to see Priestley back on the bandwagon. After all, he would be an asset in many ways. For one thing he is a plump fellow. whereas Acland and Cripps have not a spare ounce of flesh on their ribs—and the public still likes a pullet that is plump.

* * *

Potential Adherent

Richard Stokes, that rich Socialist with the sonorous voice in the House, is also a potential adherent to Common Wealth. He sits just behind Sir Richard Acland and is of a tempestuously independent mind. He denounces money and the capitalist system with a sincerity which none has any reason to doubt. The mere possession of wealth does not preclude a man from denouncing the system that produces wealth. At the same time Stokes would be the first one to admit that the largeness of his income makes it more easy for him to be independent than some obscure member of the Socialist Party who has to watch the expenditure of every 6d. in order to balance his domestic budget.

Finally, there is Edward Hulton who owns advanced opinions and who has a very considerable printing press at his disposal. His "Picture Post" on the lines of America's "Life" was an overnight success. He has long shown sympathy for the Priestley school of thought and he would not be the son of his father (the late Sir Edward Hulton) if he did not want to exert influence. I prophesy an eventual linking up of all these forces.

* * *

General Election?

The party managers are beginning to think in terms of a general election. It is a strange thing that this country, which has done so much to give representative government to the world, should try to keep from the electors the right to exercise their franchise for more than eight years. A general election would clear the air in many ways. It would make a rejuvenated Parliament, and the very fact of the contest in the constituencies would wake up boroughs that have been sound asleep.

Maritime Tel. & Tel. Sets Station Record

With a net gain of 224 stations, Maritime Telegraph & Telephone Co. reports 59,578 stations in operation at end of December. This is the highest ever reported and compares with 55,719 at the end of 1942.

Parliament At Work

The Busy Man's Guide to the Week in the Federal Capital

Clothing allowances for discharged men are not high enough, Dr. H. A. Bruce (Prog. Con., Parkdale), and Flt.-Lieut. James Sinclair (Lib., Vancouver North) asserted (P. 263 Hansard). The former urged $100 for men who had been overseas, down to $35 for those with less than six months' service in Canada, and equal allowances for women.

Expropriation of properties of Bear Exploration and Radium Ltd., is not under way, nor is it contemplated, Munitions Minister Howe told A. R. Adamson (Prog. Con., York West). The question, said Mr. Adamson, "arose out of a communication made in New York."

Five year farm rehabilitation plan for Nova Scotia, to cost $3 millions, was proposed by G. T. Purdy, (Lib., Colchester-Hants), who didn't think Nova Scotia had had a square deal. Even if N. S. got $600,000 a year for five years, it would only be getting back "what we are paying into the federal treasury in excess of other provinces," he said. Anyway, look at the money that had been poured into western Canada! Saskatchewan CCFer Wright was more generous-minded, admitted the Prairies had got lots of help, especially through PFRA, wanted similar aid extended to the Maritimes.

New angles on family allowances. Flt.-Lieut. Sinclair said there was criticism on the score that they would benefit the larger families of Quebec. "This is a reproach not to the large families of French Canada but to the small families or lack of families in the rest of Canada. If family allowances increase the size of families in the rest of Canada it will be far better than any system of restricted or selected immigration." Senator Black thought money earmarked for family allowances could be spent to better advantage on education, health, sanitation and home building.

Rehabilitation programs, including veterans and social service, are estimated at $600 millions, R. W. Gladstone (Lib., Wellington South), pointed out. (P. 277 Hansard.) Total annual government expenditure before the war was $550 millions. That was proof that there would be money for prosperity in peacetime, as there had been for war. H. R. Jackman (Prog. Con., Rosedale) was alarmed at this trend. The people have to bear the major share of these "total financial commitments."

Devices to aid the deaf and hard of hearing should be under government regulation, said W. K. Esling (Prog. Con., Kootenay West). He charged that some people were "making immense sums of money out of the afflicted."

New wages control order is due for revision and Prime Minister King says labor suggestions will be considered. (P. 336, Hansard.) He invited labor organizations to make "such representations as they deem advisable." The Government is "most anxious to have the co-operation of labor."

Humor in the House. E. E. Perley (Prog. Con., Qu'Appelle), says Agriculture Minister Gardiner's hog policy reminds him of the "pictures of a boy riding a donkey. In one picture you see him riding facing one way, and in the next you see him facing in the opposite direction, so that you cannot tell where he is going. The minister has been riding the hog both ways and has got into trouble."

Agricultural policies were explained and defended by Mr. Gardiner. Jan., 1944, livestock slaughterings were up—cattle 60%, sheep and lambs 47%, calves 30%, hogs 80%. This meant a surplus, but U. K. wanted it all. Shipping was the bottleneck.

Aviation investment of the Government, in airports, lighting facilities, radio, meteorological services, is close to $200 millions, S. H. Knowles, (CCF, Winnipeg North Centre), said, forecasting that aviation run by private enterprise would mean "every individual concern would build its own airports, etc. . . . what a hodge-podge we would have."

Wheat participation certificates and how to get them were dealt with by Trade Minister MacKinnon, (P. 236 Hansard). Wheat board will send forms to elevators and banks. Producers will register their certificates on these forms, then forward them to Winnipeg. Certificates must be listed on forms first. Cheques will be issued after wheat board has compared certificates with duplicates at head office. No estimate of amounts to be paid was given.

Farm tenancy is increasing on the prairies. P. E. Wright, (CCF, Melfort), quoted 1941 census figures showing a drop in farm ownership, from 1901, of 25% in Manitoba, 45% in Saskatchewan, 34% in Alberta. Eastern Canada and B.C. showed little change, with small decreases in all provinces but Quebec, where farm ownership rose from 89.8% to 92.7%.

Farm Mortgages percentages by provinces, said Anthony Hlynka (S.C, Vegreville) were rising. In Alberta, 61% farms were mortgaged, Saskatchewan, 77.6%; Manitoba, 53.3%; Ontario, 50.7%, Quebec, 39.9%; B. C., 31.5%; Nova Scotia, 13.1%.

Subsidies to be paid during 1944-45 fiscal year, Finance Minister Ilsley revealed when he tabled war appropriation bill, (p. 418 Hansard), included (In agricultural estimates), $47.6 millions for subsidies to food producers paid through the agricultural food board, $16.5 millions freight assistance on western feed grain and $8 millions subsidy on western wheat used exclusively as livestock feed. Administrative expenses and subsidies to be paid by the Commodity Prices Stabilization Corporation totalled $156.6 millions.

Extradition treaty modifications, thoroughly discussed by Canada's provincial and other government officials, are now being negotiated in Washington, said Mr. King.

Use of trucks as a means of transportation to and from socials and church gatherings is still frowned on as a "wasteful or unnecessary" practice. So Parliamentary Secretary D. C. Abbott told J. G. Diefenbaker (Prog. - Con., Lake Centre), who thought prosecutions against farmers on this score were rather hard.

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A canvass of these retail merchants would show that one outstanding factor that helps them to measure up so well to wartime demands is the National Cash Register System. The merchants who use the National System are better business men because they exercise strict business accounting and obtain accurate daily facts and figures without burdening themselves or their staff with too much detail work.

With the National System, these progressive merchants create greater customer satisfaction by faster service and by printed National receipts for purchases. They simplify bookkeeping yet control every transaction in their business. They ease the manpower difficulty for themselves and definitely aid Canada's war economy by saving time on both sides of the counter.

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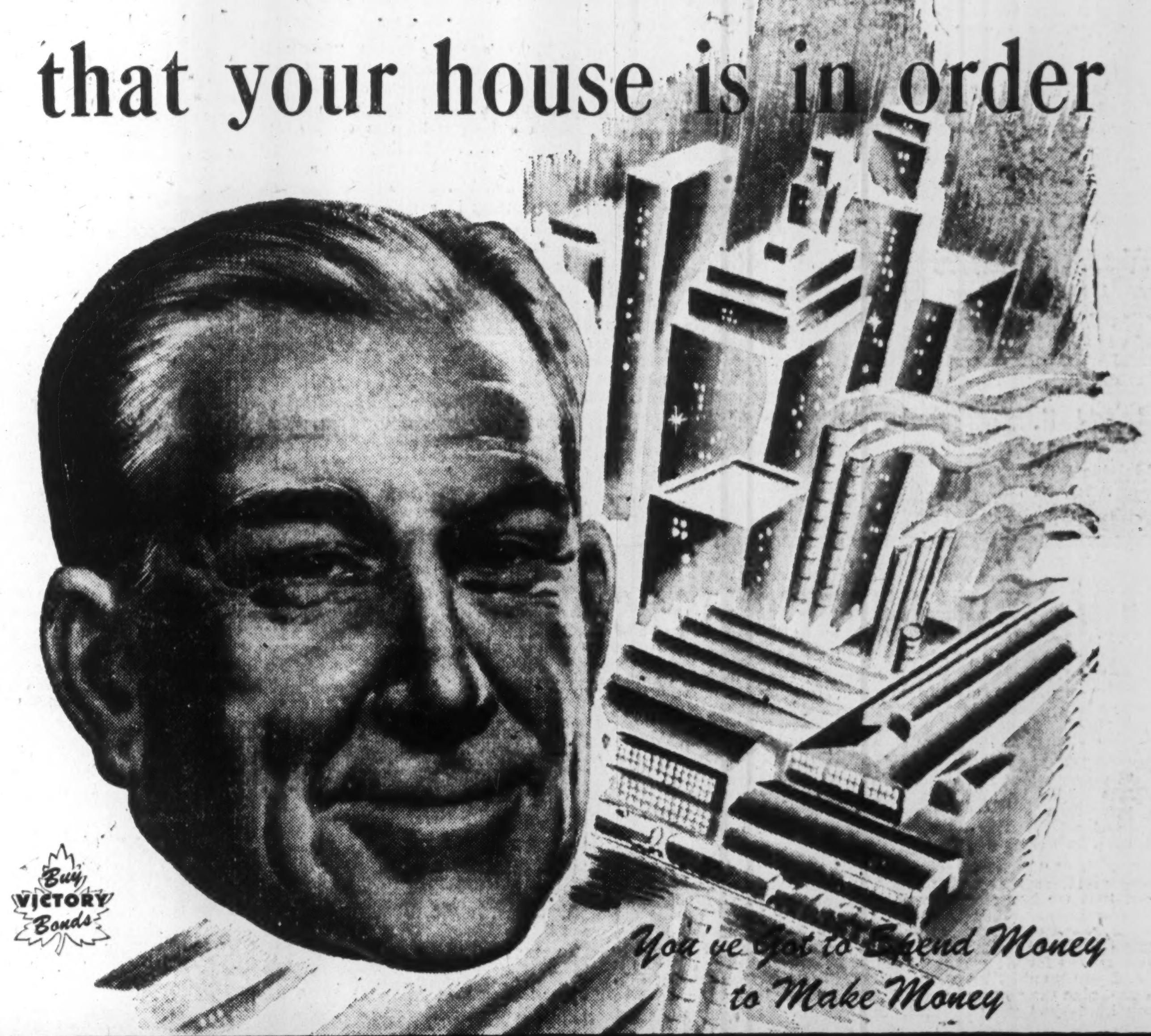

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Investments

Effect of Lower Bank Rate

Announcement that the Bank of Canada bank rate has been lowered from 2½% to 1½% has had very little effect on the high-grade bond market, already acting very strongly, nor on the stock market.

Admittedly, the Bank rate is a much less direct influence on the investment market in Canada than the Bank of Canada's own open market operations in high-grade bonds. But the reduction in the Bank rate is a fairly definite promise of low rates for the future, which should ultimately influence both bond and stock prices in an upward direction.

The extent to which stock prices will reflect the falling yields and rising prices of Dominion bonds is always difficult to prophesy. There is certainly no direct arithmetical connection between the two, and the best that can be said is that the return on safe money puts a limit on how far stock yields can move.

Since the end of 1937, stocks listed on the Toronto exchange have offered a return ranging from 5% to over 7%, against long-term Dominion bond yields usually not much above 3%. Before 1937, the gap between the return on stocks and bonds was seldom more than one point.

Apparently, either stocks were badly overvalued before 1937, or they have been undervalued since. Except when industry is due for rapid expansion with a corresponding increase in earnings, a fairly wide margin between the return on safe money and on stocks is obviously sound. It is clear in retrospect that this margin was inadequate in 1937, and there is good ground to believe that today the margin is perhaps wider than necessary. If so, the Bank of Canada announcement should help to hasten an upward adjustment that will narrow the gap.

• • •

Price Ceiling Problem New Highs and Lows

Investors who have been watching WPTB releases recently may have been struck by the number of cases in which the board has authorized the setting of prices on the basis of cost plus a fixed percentage markup.

In view of the fact that the industrial companies now returning to a moderate level of civilian production are facing a bad price squeeze, there has been some talk of shifting more to the cost-plus basis of price control. This would get around the problem of the company which has to meet a 1941 price ceiling while paying 1944 wages and material costs, and with very small volume of business to do it on.

Its adoption would help particularly in the solution of the problems of appliance and implement manufacturers such as Beatty Bros., Easy Washing Machine Co., Cockshutt Plow Co., Massey-Harris Co., and others.

While this method has obvious merits for price control during the period when conversion becomes general, it has still not been adopted as a basic device by WPTB, we understand. What's going to happen is that the old ceilings will be held firm so long as the manufacturer is in the 100% EPT category, even though he may be losing money on one or two specific items. After that, the familiar technique of spreading the price squeeze between producer, wholesaler and retailer will be used to the limit. Only as a last resort will WPTB adopt either of its trumps, the subsidy or the cost-plus type of "ceiling."

Actually, the betting is in favor of the cost-plus method as soon as conversion becomes fairly general, as maintenance of the fixed ceiling would probably involve subsidies to all Canadian industry after war production finally tapers off. Hitherto, the cost-plus type of ceiling has been reserved for goods which were not produced in the base period, or for goods which have not been under a ceiling before.

• • •

Another Abitibi Payment?

Reports that there will be a further payment of 12 points on the Abitibi bonds have not been confirmed, but apparently there is little opposition to such a step.

Big question is whether the income tax authorities will permit a further payment to be classed as wholly on principal, as the previous payments, totalling 42 points have been. It is felt that at least part of the payment will have to be regarded as on account of interest and will thus be taxable.

• • •

New Highs and Lows

In the week that closed Feb. 15, 1944, 45 industrial stocks, 15 mining issues, and eight oil stocks, made new highs. New lows were set for 11 industrials, nine mines, and one oil stock.

General

New Highs 1944
Agnew Surpass, c.
Canada Iron, com.
Canada Packers
Canada Starch, c.
Canada Steamsps.
Do., pref.
Can. Canners
Do., 2nd pf.
Candn Car., pfd.
Can. Converters
Can. For. Invests, c.
Can. Locomotive
Can. Pac. Rly.
Can. P. & P. Inv., c.
Can. Westinghouse
Cassidy's, c.
Chem. Research
Claude Neon
Cockshutt Plow
Comm. Alcohol, c.
Dominion Oilcloth
Dominion Square
Dom. Woollens
Do., pref.
Economic Invest.
Fanny Farmer
Fraser Cos.
Gt. West Sadd., c.
Greening Wire
Holt Renfrew, c.
Imperial Bank
L. of Woods, M., c.
Mitchell, Robt.
Monarch Knit., pfd.
Murphy Paint, c.
Nat. Grocers, c.
Nat. Sewer Pipe
Noorduyn Avia.
North Star Oil, c.
Orange Crush, pfd.
Royal Bank
Thrift Stores, pfd.
Wabasso Cotton
Walkerville Brew.
Wood Alex & Jas p

New Lows, 1944
Can. Indust. (B)
Cub Aircraft
Dom. Tar, pf.
Dom. Textile, pf.
Gat. Pwr. 5½% pfd.
Goodyear Tire, c.
Invest. Found., c.
McColl-Front., c.
Montreal Trams.
Page Hersey
People's Cred. Secs.

Mining

New Highs, 1944
Aquarius
Astoria Quebec
Base Metals
Central Manitoba
Forty-Four
Hasaga
Jason Mines
Pioneer Gold
Placer Develop.
Powell Rouyn
Do., vot. trust
Premier Border
Silbak Premier
Springer Sturgeon
Sullivan Cons.

New Lows
Broulan Porc.
Cariboo
Chromium
Howey Gold
Inspiration
MacLeod Cockshutt
Normetals
Sherritt Gordon
Siscoe

Oils

Ajax
Brit. Dominion
Calmont
Dalhousie
Home
Mid-Continent
Pacific Oil & R.
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Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

SALES ENGINEER

AGE 58, at present in Government employ, wishes to get into foreign sales; has been travelling from coast to coast giving special attention to paper and textile mills. A good record, excellent references. Apply to nearest Employment and Selective Service Office. Refer to H.O. 745.

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MARY ANN MINES LIMITED

Interesting development possibilities on this well located Kirkland-Larder Lake property. Send for complete information.

WILLIAM E. SMITH
Established 1908
100 Adelaide St. W., Toronto
ADel. 9205

Swift Current Deal Offered Bondholders

Holders of debentures of the City of Swift Current and of Swift Current School District No. 167, have been asked for their approval of a reorganization proposal. The plan calls for payment of 2½% interest on new bonds to be dated Jan. 1, 1944, the issuance of new 2½%, 35-year bearer debentures, dated Jan. 1, 1944, and payable in 35 equal annual payments of combined principal and interest. Payments are to be made in Canadian funds only, the first payment falling due Dec. 31, 1944.

STADACONA SHAREHOLDERS

For months I have been negotiating with the liquidator in an endeavour to clean up a long overdue situation — the return of Stadacona Rouyn Mines to its shareholders. After weeks of excuses, evasion and hedging, the liquidator last week refused to present to the Court for consideration a proposal I made—the most important paragraph of which read as follows:

"I propose that the affairs of Stadacona Rouyn Mines Limited be immediately wound up, that you receive your fees and disbursements out of the monies on hand and that you turn the assets of the Company back to the shareholders."

Is it not about time, with close to half a million dollars in the treasury and the mine earning around a quarter of a million dollars a year, that we had some say in what should be done? Isn't it about time that we got the facts and learned what is really going on? There is absolutely no reason why the Company should not be returned to the shareholders without further delay. It should be earning money for us, not for a liquidator. If you feel as I do about this and you would like to see the whole story brought out into the open, give me your support. I do not want financial assistance of any kind—just your support. Simply mail the coupon below.

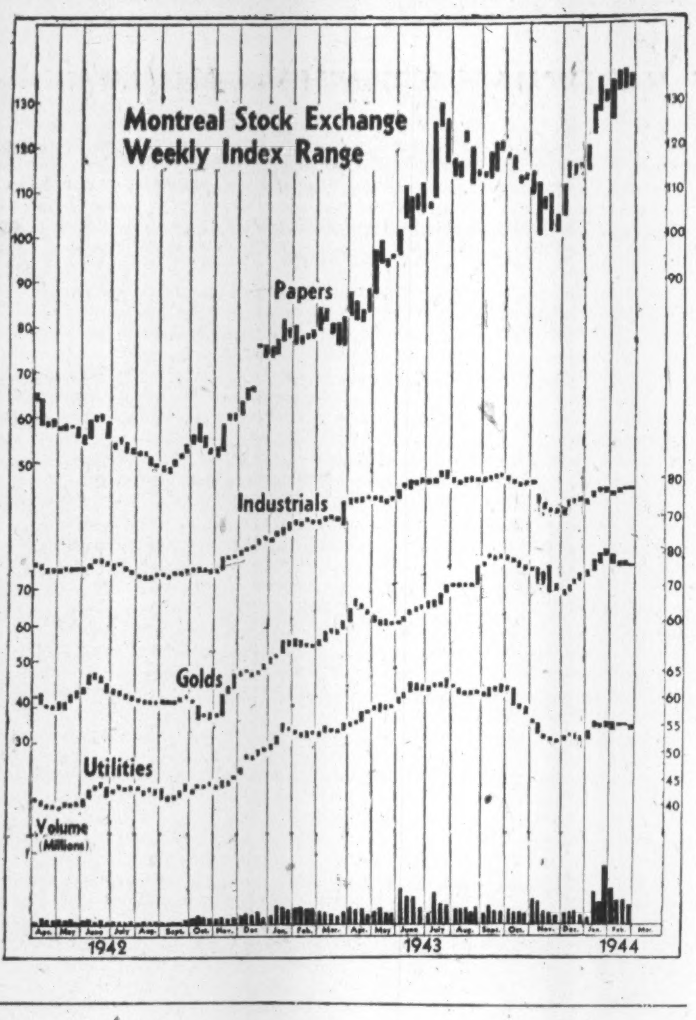
NORMAN VINCENT

NORMAN VINCENT,
Victory Building,
Toronto, Canada.

As the owner of .... shares of Stadacona Rouyn Mines Limited I am in favor of having the property taken out of liquidation and returned free and clear of all debt to the shareholders without any further delay.

Name ....

Address ....



Market Comment

Interpreting Sales Volume

Volume on the Montreal and Toronto stock exchanges during the past four weeks may have some significant indications. Industrial and gold indices on the two lists have for some time varied within narrow limits after a rally following the December setback. In the last four weeks trading has steadily diminished, weekly sales totals for Toronto being 6,935,000, 4,324,000, 3,674,000, and 2,926,000 shares, and for Montreal 751,000, 453,200, 326,000, and 249,000 shares. It is probable that the gradual decrease in volume indicates a drying up of both supply and demand for stocks at these levels and that a move to a new level will take place quite shortly. The direction this next move takes will be of considerable significance.

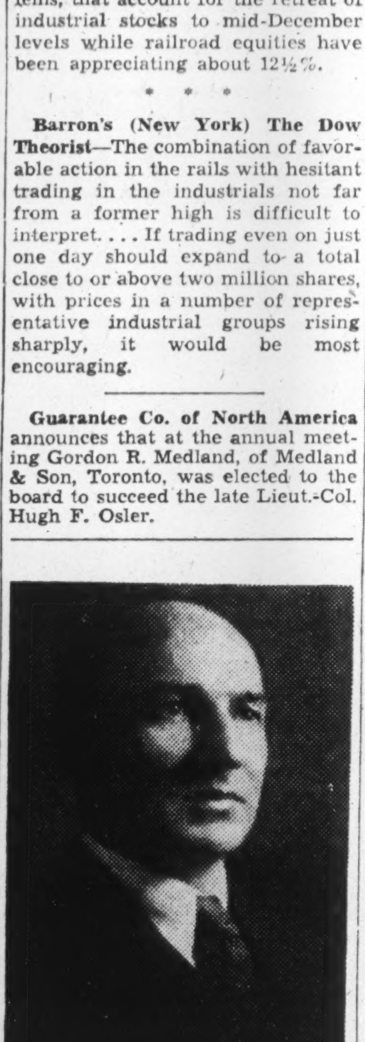
• • •

Barron's (New York) The Trader — . . . while bad news has no effect, good news is interpreted constructively. Such phenomena are not ordinarily the precursors of a protracted major liquidating movement. . . . On the other hand, it is easy to understand why industrial shares, in the absence of stimulating news, should hang fire in the face of the recurrent concentrated liquidation. . . . By virtue of present day taxes, big interests have been constantly forced into converting stocks into cash . . . With insiders periodically selling, with investment trusts well bought up, and with foreigners out of the market, the mainsprings of a lasting rise have been lacking. It is such tangible factors, more than the all-pervasive fear of postwar problems, that account for the retreat of industrial stocks to mid-December levels while railroad equities have been appreciating about 12½%.

• • •

Barron's (New York) The Dow Theorist—The combination of favorable action in the rails with hesitant trading in the industrials not far from a former high is difficult to interpret. . . . If trading even on just one day should expand to a total close to or above two million shares, with prices in a number of representative industrial groups rising sharply, it would be most encouraging.

Guarantee Co. of North America announces that at the annual meeting Gordon R. Medland, of Medland & Son, Toronto, was elected to the board to succeed the late Lieut.-Col. Hugh F. Osler.



ASSISTANT G. M.

F. G. Stanley, who has been appointed an assistant general manager of the Canadian Bank of Commerce. Mr. Stanley joined the staff of the former Standard Bank of Canada at Lucan, Ont. He came to head office in Toronto as supervisor in 1924, and when the Standard Bank was amalgamated with the Canadian Bank of Commerce in 1928, was appointed an inspector at head office. He went to Windsor, Ont., as manager in 1931 and in Feb., 1939, returned to head office as superintendent.

Says Britons Oppose Cheap

(Continued from page 1)

treme hardboiled view thus expressed regarding an eye-for-eye trade exchange will ultimately prevail. Certainly it is a view held resolutely here by many important and high-ranking personages.

If it is modified it will likely have to be through a determined attempt on Canada's part to demand re-creation of the fool-proof, three-way or multilateral exchange system such as that urged in our currency stabilization proposals and which would ensure Britain being paid in sterling for every purchase of Canadian foodstuffs.

No Threat to Bacon

In short, those responsible for Britain's new, vigorous and highly successful wartime agricultural program see no threat in Britain's increased domestic output in so far as Canadian bacon, cheese and eggs are concerned. They think and hope that the new postwar Britain will need everything she can produce herself at the present expanded acreage and improved farming methods, plus what other countries can send, so long as the latter are willing to buy her coal and manufactured goods in exchange.

This is no new doctrine, but it is interesting and significant to hear it underscored so emphatically by persons in high authority. So far as Canada is concerned there are at least two important new qualifications. First, it is unlikely that Britain will again want as much Canadian wheat as in the past. Second, the British farmer wants no more dumping of cheap food from abroad so as to depress the price level of his own production of wheat and other farm products. Articles and letters to the press stress this point.

Wages, Prices Up

In so far as costs generally are concerned Britain's farm operations in this war have been conducted with a rising scale of farm wages and a much improved price level for most farm products.

The minimum pre-war farm wage of 38 shillings has now risen to 65 shillings, with the present minimum for women farm workers 48 shillings.

With 80,000 in the Women's Land Army, the latter now rates as the most popular and successful of practically all the war services. Altogether, there are about 300,000 women employed on the land.

Dairy Corp. Tax Still Undecided

Operating earnings of Dairy Corp. of Canada continue to be satisfactory, The Financial Post understands. However, taxes for the year ending March 31 will probably be heavy, and since the company's standard profits base has not yet been fixed it is difficult to estimate the effect of this factor on the company's position. An early settlement of this problem is hoped for, but prospects are still uncertain.

Funded debt of the company's subsidiaries was reduced to $1,076,975 at Aug. 27, 1943 and no further change has occurred since that time. Dairy Corp. itself has no funded debt since the 1939 capital reorganization. Bank indebtedness was entirely paid off in the year ended Mar. 31, 1943.

Carl S. Sundberg has been recently appointed secretary of Montreal Locomotive Works Ltd. He succeeds John D. Finn, resigned.

INVESTMENT SECURITIES

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Branches in the principal cities of Canada

Early NWLB Action Seen On Rail Wage Decision

Anything Near Parity With U. S. Schedules Might Boost Pay Bill Around 20% — Matter Seen Crux of Whole Canadian Wage Policy

From Our Own Correspondent

OTTAWA.—Decision of the National War Labor Board on the pay increase application of 17 standard railway labor organizations is expected momentarily. Submitted in December, the application represented some 70,000 workers.

At that time disparity between Canadian and U. S. rates was stressed. Three weeks ago, however, labor groups filed a supplement to this section reporting new agreements—some retroactive—by which U. S. rail wages were increased nine to eleven cents an hour.

While this widened the disparity claimed, incorporation on Feb. 15 of living cost bonuses in Canadian basic wage rates served roughly to counterbalance matters.

Inclusion of a $4.60 per week living bonus in basic rates of many Canadian railway trades represented a rate increase comparable with that granted recently in U. S. But this apparently left the disparity right where it had been.

Wide variations and complexities govern reckoning of pay and time in major railway trades and these obstruct efforts to estimate how much of the $4.60 bonus is to be credited to an average hourly or daily pay rate. Theoretical distribution at around 75c. day would compare roughly with actual rate increases in the U. S.

The following table shows examples of disparity after adding U. S. increases but before inclusion of the bonus in the Canadian rates:

Railway Wages: Canada-U.S.†
(Financial Post averages based on figures submitted to NWLB by railway labor organizations)

	— Average basic daily rate —		
	Canada* $ day	U.S. (East) $ day	Disparity Canada* $ day
Engineers	7.16	9.59	2.43
Firemen and helpers	5.32	7.60	2.28
Conductors	6.70	8.92	2.22
Baggagemen	4.94	7.14	2.20
Brakemen	5.00	7.21	2.21
Yardmen	5.93	8.20	2.27

† Omits mechanical trades, engine and boiler room workers, railway shop laborers, signal dept. personnel, clerical and freight handling forces, station, tower and telegraph service employees, train despatchers.

* Cost-of-living bonus $4.60 per week, incorporated in basic hourly wage rate in Canada since Feb. 15, 1944.

Before incorporation of the bonus the average of daily rates for Canadian engineers, firemen, conductors, baggagemen, brakemen and yardmen was 28% less than that of their counterparts on U. S. eastern lines, according to computation by The Financial Post.

Comparative Rates

Until the bonus became part of wages, Canadians in the group mentioned averaged $5.84 daily against $8.11 for comparable trades in eastern U. S.

The railwaymen's brief showed locomotive engineers in passenger service, for example, being paid $6.16 a day for operating lightest power and $7.16 for heaviest, as against $8.54 and $9.62 for corresponding work on U. S. eastern lines. Shown for freight and yard engineers was a similar Canadian disparity, the Canadians operating through-freight locomotives averaging $2.50 daily less than their U. S. fellows and those in yard service $2.47 less.

Growth of Canadian Rates

The course of railway wage rates between 1913-38 in relation to freight rates and cost of living is revealed in the following index table as well as in the accompanying graph, both prepared by R. J. Deachman, Ottawa, from DBS figures:

How Rail Wages Rose
(DBS indices: 1913=100)

	Rail Wage Rates	Living Costs	Rail Freight Rates
1913	100.0	100.0	100.0
1920	221.0	188.7	180.1
1926	186.3	152.7	145.1
1929	204.2	152.6	142.6
1932	184.0	124.1	131.0
1933	179.7	118.4	140.0
1938	204.2	128.2	138.3

Deachman Considers Farmer

Mr. Deachman, in a recent discussion of the matter, pointed out that between the two world wars the railway worker had earned his pay in fewer hours; had enjoyed simpler, safer, easier work because of mechanical improvements. Comparison with the earnings of the farmer, however, was Mr. Deachman's main concern.

Records of farm income were lacking prior to 1926, but since then he found difference in relative incomes of both groups "almost unbelievable."

"The farmer," Mr. Deachman said, "suffered from poor crops and low prices. The railway worker, if employed, was in receipt of a higher income than ever before but many of the workers were unemployed at the depth of the depression. In 1929 there were 187,000 workers on Canadian railways — in 1938 the figure was under 128,000."

The following table shows how railway workers' and farmers' earnings compared:

Farm-Rail Income Inequality
(DBS indices: 1926=100)

	Average real earnings of rail workers	Farm income
1926	100.0	100.0
1929	107.0	94.9
1932	115.9	19.8
1933	115.7	23.9
1937	120.2	58.0
1938	125.0	57.9

"Railway wage rates," Mr. Deachman points out, "are adjusted for changes in the cost of living; farm earnings are not. Price declines in the things the farmer bought were relatively small; the real decline was in the things he sold. For the city dweller, the farmer provided the advantages arising from reductions in the cost of living, and brought to the railway workers a tremendous increase in buying power.

"This was the primary cause of the increase in real earnings of the railway workers, as shown in the table.

"When costs of living are again increasing," Mr. Deachman concludes, "railway workers demand more. The farmers do not speak and there is no one to speak for them. But thoughtful people must wonder what will happen to the farmer if wage rates move up as they did before while the farmer is compelled, when depressions come, to bear the burden of higher costs for the things he buys, lower prices for those he sells."

Taxpayer's Interest

Mr. Deachman put in a word for those who feel that increases granted to railway workers at this time would, in the end, be inimical to their own best interests and harmful to the nation. Mr. Deachman said:

"A strange conception has grown up in this country. It is felt that in a dispute of this kind, the whole matter can be settled by the two parties directly involved.

It is an erroneous point of view. When wages are raised the added costs must be met and, with a government-owned railway, the taxpayer foots the bill. In a privately owned railway the owners of the equity for a time may be the sufferers, but the process, if continued, will prove disastrous to the workers and the nation as a whole."

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Dominion of Canada
Fifth Victory Loan 3% Bonds
Due January 1, 1959
Price: 100 and accrued interest

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Telephone: ELgin 4321

Wood, Gundy & Company Limited

CPR Resumes Its Dividends After Twelve-year Lapse

From Our Own Correspondent

MONTREAL. — Directors of the Canadian Pacific Railway have declared a dividend of 50 cents a share on the ordinary shares of the company, payable on March 31 out of earnings for 1943. This is the first dividend since April 1, 1932 and comes as a complete surprise to the market in view.

In 1942 the company earned $2.63 a share, while net profit for the past year is estimated to be somewhere in the neighborhood of $2.75 a share or better.

For some time there has been pressure from British shareholders for a dividend on the ordinary stock. But the board has favored conserving cash resources to reduce the funded debt and in turn fixed charges to a point where they would be brought down to the level prevailing when the company paid dividends on its ordinary stock.

EASY TO BUY . . .
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"Shall I sell now, or wait?" That is a problem that our Research Department can help you solve.

Let us advise you.

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DOMINION BANK BUILDING, TORONTO ELgin 3293
C. H. PEAKER SEYMOUR TRENT ALFRED BUNTING

NORANDA MINES

The shares yield nearly 8% at the current price.

Noranda shares offer an opportunity to invest in one of the world's lowest cost, copper-gold mining and smelting enterprises and, in addition, give an important participation in a well-managed pool of venture capital.

Descriptive circular on request

Private wire to Montreal and New York

Milner, Ross & Co.
Members The Toronto Stock Exchange
TORONTO
Hamilton Brampton

IMPORTANT GAINS MADE IN 1943

The following is a summary of certain items appearing in the Annual Report of the Company for 1943:

INCOME FROM INVESTMENTS	$ 564,385.20
PREMIUM AND ANNUITY INCOME	1,277,892.83
INCOME FROM ALL SOURCES	2,045,714.13
TOTAL ASSETS	10,193,672.77
NEW INSURANCE ISSUED	8,277,630.00
INSURANCE IN FORCE	46,658,100.00

All of the above items represent marked increases over the corresponding results of the previous year. New Insurance, Insurance in Force and Total Assets show the largest gains in the Company's history.

- The Company continued to support the war effort in 1943 by investing the major portion of available revenue in Victory Loans.
- The average rate of interest earned on invested funds during the year was maintained at over 5%.
- A total of $792,570.64 out of the surplus earnings of the year was applied to increase reserve accounts.
- Investment Reserve, Contingency Reserve and Free Surplus now stand at $553,990.27.
- Funds available for the protection of policyholders have now reached a total of $9,131,321.27.

A copy of the full Annual Report is available on request.

BOARD OF DIRECTORS
W. SANFORD EVANS, LL.D., President; DR. E. W. MONTGOMERY, WILLIAM WHYTE, Vice-Presidents; E. E. SHARPE, K.C., JOHN MARTIN, JOHN W. HORN, ROY W. MILNER, C. D. GRAYSON;
M. D. GRANT, F.I.A., F.A.S., Managing Director.

THE SOVEREIGN LIFE ASSURANCE COMPANY
HEAD OFFICE - - WINNIPEG, CANADA

THE STERLING TRUSTS CORPORATION

Balance Sheet, December 31st, 1943

ASSETS

CAPITAL ACCOUNT:		
Office Building, Safe Deposit Vault	$ 89,825.03	
Real Estate held for sale	91,449.43	
Mortgages and Agreements for Sale	353,724.92	
Stocks and Bonds	289,829.48	
Advances to Estates and Trusts	37,376.07	
Accounts Receivable	8,798.14	
Cash on Hand and in Banks	49,168.98	
	$ 920,172.05	
GUARANTEED ACCOUNT:		
Mortgages and Agreements	$ 1,804,483.81	
Government and Municipal Bonds	581,274.32	
Cash on Hand and in Banks	247,238.51	
	$ 2,632,996.64	
ESTATES, TRUSTS AND AGENCIES:		
Investments and Assets held	$ 5,778,357.54	
Cash on Hand and in Banks	282,867.00	
	$ 6,061,224.54	
	$ 9,614,393.23	

LIABILITIES

CAPITAL ACCOUNT:		
Capital Paid Up	$ 804,700.00	
Reserve Fund	75,000.00	
Reserve for Taxes	11,800.00	
Accounts Payable	1,926.49	
Dividend Payable January 3, 1944	12,070.28	
Profit and Loss Balance	14,675.28	
	$ 920,172.05	
GUARANTEED ACCOUNT:		
Guaranteed Trust Certificates	$ 2,126,359.15	
Deposits	506,637.49	
	$ 2,632,996.64	
ESTATES, TRUSTS AND AGENCIES	$ 6,061,224.54	
	$ 9,614,393.23	

All stocks and bonds shown at less than Market.

PROFIT AND LOSS ACCOUNT

Balance brought forward from 1942	$	31,247.17
Net Profit for year		54,706.40
	$	85,953.57
Appropriated as follows:		
Taxes (estimated)	$	19,805.35
Reserve for Depreciation		2,333.11
Dividends		24,139.83
Transfer to Reserve Fund		25,000.00
Balance carried forward to 1944		14,675.28
	$	85,953.57

A mighty task still lies ahead . . .
Victory Bonds will speed the Victory.

Burns Bros.
LIMITED
Government, Municipal and Corporation Bonds
244 BAY STREET, TORONTO AD. 9371
CHARLES BURNS W. H. DENTON

Establish Your Company's Common Stock Value

For future taxation and succession duty purposes you may, if you are the holder of a large block of stock in a family or "close" corporation, be well advised to consider establishing an accepted and recognized market value for it.

Otherwise, in the case of death, an inflated value might be placed upon it by succession duty departments and this might seriously embarrass your business associates or your executors and administrators.

We shall be pleased to advise individuals, solicitors, executors and administrators as to what steps to take to meet this situation.

We will also purchase large blocks of common stock and distribute them amongst our private clientele. This may prevent the considerable sacrifice that might be necessary if the stock was placed on the "open market" for sale.

Inquiries invited from individuals, executors, solicitors.

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360 St. James St. W.
MArquette 4194

Gairdner & Company Limited
320 Bay Street, Toronto
ELgin 2301

FOR SALE - - GENTLEMAN FARMER'S ESTATE

One mile from Montreal-Windsor highway, near Delaware, 12 miles west of London, comprising 385 acres (more or less) of fertile land ideal for mixed farming.

Fully equipped steel and concrete buildings, cattle barns for 150 head, dairy with Kelvinator cooler, horse stables, piggery, 3 large silos, underground root cellars, poultry houses, implement and tool sheds, garages—also 3 separate houses for farm help—all buildings in good condition.

The main house is brick and 100 years old in excellent repair and recently redecorated, handsome cornices throughout—large central hall, 40 ft. living room with two fireplaces, library and dining room each with stone fireplaces, lavatory, modern kitchen, pantry and servants' sitting room—Upstairs: sitting room with fireplace, 5 master bedrooms, 3 bathrooms, sleeping porch and sewing room, 4 servants' rooms and bath.

Top flat has 4 bedrooms, play room with electric fireplace, bathroom, toy and storage cupboards.

Screened verandah at back 18 ft. x 30 ft. overlooking one of the finest landscaped gardens in Ontario, lily pool and tennis court.

Vegetable garden with irrigation system. 20 ft. x 50 ft. concrete swimming pool.

Cellars throughout, recreation room and steel vault.

Steam heated—automatic stoker.

Two miles of river and a creek. Fine elms and pines, cedar hedges and spacious lawns, with ¼ mile spruce lined approach.

Abundant spring water pumped by pressure system.

Offers would be considered for residence and farm separately.

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Scrap Idea Compulsory Insurance

Manitoba to Raise Fund by Levying $1 on All Car Operators

From Our Own Correspondent

WINNIPEG.—A special committee of the Manitoba Government has scrapped the idea of compulsory public liability insurance for automobile drivers in favor of a "Safety-Responsibility" plan to ensure compensation for highway accident victims.

The "Safety-Responsibility" plan, tabled in the Manitoba Legislature by Attorney-General James O. McLenaghan, is patterned after a New York State law and provides, among other things, that:

1. A fund be set up to ensure indemnity for persons injured or damaged in accidents by auto owners or drivers from whom damages otherwise could not be collected because of their lack of financial assets. The fund would be raised by a $1 levy on all automobile operators in the province.
2. Drivers who are considered poor insurance risks could get public liability insurance at a higher-than-normal premium.
3. All drivers of an automobile be issued insurance coverage cards.

Better Reporting

Other clauses provide for a more complete system of reporting highway accidents, a change in the police procedure of impounding automobiles, and a publicity campaign to make drivers aware of present financial responsibility laws.

At committee hearings preceding the framing of the present recommendations, the Winnipeg police urged compulsory public liability insurance; the insurance companies opposed it.

Opposed by Insurance

The latter argued such legislation would tend to induce carelessness among drivers, would not work toward the primary objective of reducing accidents.

In framing its report, the Government committee under Chairman R. M. Fisher, K.C., deputy municipal commissioner, adopted the insurance companies' point of view. It decided the general purpose of highway traffic legislation should be reduction of accidents and that indemnity for financial loss to injured persons should be a secondary objective.

"Assigned Risk" Plan

Apart from the creation of an "unsatisfied judgment fund," built up by special levy and designed to indemnify injured persons who have no other recourse, the legislation hinges on an "assigned risk" plan.

This plan is a voluntary one, administered by insurance companies. A committee of insurers doing business in the province would pass upon applications by "border-line" drivers—the type of driver insurers are not anxious to accept—and, if the applicant were found eligible for coverage, would assign the application to a member insurance company. A larger premium would be charged on this class of risk.

To Establish Proof

Under the proposed plan, however, a driver involved in any accident would be required to establish proof of financial responsibility for future accidents irrespective of who is to blame. Furthermore, security for payment of a judgment which may be recovered after an accident must be furnished by the owner or driver involved in the accident.

Failure to satisfy a judgment in the U. S. as well as Canada should entail cancellation of an operator's license.

JOINS CPR BOARD

Geo. W. Spinney, president of the Bank of Montreal, who has been elected to the board of the Canadian Pacific Railway, replacing the late Sir Edward Beatty.

Company "Charity" Ruling Clarified by Dept. Finance

OTTAWA. — Finance Minister Ilsley's recent announcement of restrictions on charity donations, by firms in the 100% excess profits class, will have no effect on sponsored advertising for charitable causes, Finance Department spokesmen declare.

Charity or "sponsored" advertising, these officials explain, has always been treated for income tax purposes as part of business expenses, not as a donation. Companies are only permitted to make, as deductible expenditures, advertising outlays up to the amount spent during a base period before excess profits tax was levied. Sponsored advertising has been, and will continue to be, included in this quota. No change has been effected by the tax ruling.

Winnipeg Elec. Clearing Deck

May Pay Preferred Holders 2½% for Half-year Ended Dec. 31, 1943

From Our Own Correspondent

WINNIPEG.—For the first time since 1931, Winnipeg Electric Co. is expected to pay a dividend to preferred shareholders next April.

W. H. Carter, president, has indicated preferred shareholders may expect a 2½% dividend for the half-year ended Dec. 31, 1943.

During reorganization of the company in 1935, preferred shareholders waived close to $13½ millions in return for $1,921,234 in non-interest bearing contingent certificates. In several years since then the company has showed net earnings, but was under agreement to make no other distribution of profits until the contingent certificates were redeemed.

It is expected the balance of these certificates will be redeemed on or before March 1 this year. After that, dividend payments may be resumed within 30 days.

Share Pushers Use Fake Sale Scheme

(Continued from page 1)

racket. It was required that all firms not members of recognized stock exchanges show on their stock confirmation the name of the salesman making the sale. But even after this warning a stock sales outfit has tried the fake confirmation racket—omitting to put the salesman's name on the sales slip.

How the Ontario Securities Commission, which is charged with the prevention of fraud (not solely its prosecution) can justify the continued registration of firms which persist in sending out fake confirmations is puzzling to The Post as well as to the business community at large.

The Securities Commissioner has abundant power to carry out his duty which, according to judicial finding, is to assure that persons engaging in the securities business be "of good repute." That their sales methods should be ethical goes without saying.

The Securities Commission can cancel or suspend licenses as a means of enforcing good behavior. It has the whole machinery of the criminal code that it can invoke.

The Ontario Securities Act provides for the bonding of firms and salesmen to help weed out undesirables and protect the public.

This bonding regulation appears to have served little good purpose, because an actual bond has rarely been required. Apparently almost anybody's "personal bond" is accepted. This means that it is possible for a hoodlum to come along, have a "bond" put up by the stock operating firm which proposes to employ him. Commonly, the employing firm puts up no money or security whatever, the Securities Commission simply accepting the firm's word that it will make good if the salesman defalcates.

One important aspect of the bonding requirement is thereby completely eliminated. The registered bonding house investigates character and business record. It won't grant a bond unless both are reasonably good. By accepting apparently anybody's bond, the Securities Commission foregoes this useful "screening process" and makes it possible for the hoodlum to comply with the letter—if not the spirit—of regulations.

This bonding situation is one illustration of the apparent lethargy on the part of the Ontario Securities Commission in protecting the public from undesirable stock operators and undesirable stock selling methods.

The fake sales confirmation racket is just one more illustration of the evil that results.

There appear to be three variations in the fake sale business.

First, there is the "hoper"—where the individual has had no previous dealings with the firm whatever.

A woman in West Toronto received this type. She had been regularly receiving literature from a stock firm. This barrage of mail had been consistently used for fire lighting. Then came a sealed envelope containing a stock sale confirmation together with a nice letter thanking her for the business she had been pleased to place with the firm.

Part of the technique in sending out these confirmations to strangers is to give a temporary push to the stock price to provide "sucker bait"; the individual may think he can be smart and make a little money by taking up the stock. But the highbinder may be "selling" the public at a high price in a rigged market and may be taking down stock at a nickel; hence he makes many times what the sucker thinks he can.

The second variation of the trick is to send confirmations to individuals who have previously refused to do business with the firm concerned. A typical case occurred last week.

A salesman from a Toronto outfit called on a woman at her home. The woman had a visitor. The hostess bought some stock. Her visitor casually asked what 2,000 shares would cost. She did not place an order and she refused to give her address. She was surprised when she received a confirmation for purchase of stock, delivered care of her hostess.

In another case a woman had refused to buy stock on several occasions. Finally she got a fake stock purchase confirmation. The salesman in this case was not registered with the Securities Commission at the time, but a license was taken out a few days later.

This salesman at this writing has not been arrested either for his effort to extract money by false pretenses or for his effort to sell stock without registration.

No disciplinary action has been reported taken—at this writing—with respect to the firm which used the unregistered salesman and which later took out a license for him.

The third variation on the fake sale racket is used where the aim is to make a big killing.

A salesman lines up a prospect of some means, "warms him up" by putting him into some good securities, does everything in his power to increase the man's stock investment and to win his confidence.

Then comes the "kill." The salesman "turns on the heat" to switch the whole group of stock securities into the issue in which his firm and its backers are specially interested. Such a stock usually costs the selling firm five cents. They sell it to their victim for 25 or 30 cents.

The client hesitates. A prompt fake stock sale confirmation is apparently frequently helpful to the operator.

This "error" or "misunderstanding" is often helpful in weakening the client's resolve not to take the bait he is offered. Because these operators specialize on people with little experience in business and particularly in the buying and selling of stocks, the victim will frequently accept rather than face the threats of court action which the stock operator hurls at him.

Standard Pav'g Net Up Slightly

Volume of Business Holds — Dividend Plus 31¼c. on Arrears

Standard Paving & Materials, which this week declared a dividend of 31¼c on the preferred plus 31¼c. payable on preferred arrears, has shown slightly increased net profit in recent months, The Financial Post is informed. The distributions, which are being made April 1 to shareholders of record Mar. 20, cut preferred arrears to 31¼c. Stock goes ex-dividend Mar. 17.

Operating through subsidiaries as a paving contractor and supplier of sand and gravel for construction work, the company in recent months has maintained the volume of business which in the year ended Mar. 31, 1943, was reported as being considerably larger than for some years past. Earnings per share on the preferred for 1942-43 were 61 cents, against dividend requirements of 62½c.

With most of the major war jobs in the company's line now believed completed, the chief current problem is an outright scarcity of men, The Financial Post is advised. Though supplies of cement and machinery have at times been difficult, the company in these respects has always managed to "get by," but the help situation poses harder problems. Some betterment is expected as a result of the recent removal of restrictions on asphalt which had been limited to strategic uses since 1942.

Good postwar business is anticipated.

Tungold Mines plans to carry out some deep diamond drilling with a heavy drill rig recently purchased. The company's property is located in the Herb Lake district, northern Manitoba.

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TORONTO DAILY STAR

The Editorial Page . .

The Foundation of Employment

H. G. Welsford, vice-president, Dominion Engineering Works Ltd., Montreal, has produced another penetrating analysis of the challenge that faces business today. Following his previous pamphlet on employment, the present study, entitled "Enterprise, the Foundation of Employment," makes a most worthwhile contribution to our knowledge of how business can meet this challenge.

On this page of this issue under the heading Postwar World, there is a digest of an important section of Mr. Welsford's new pamphlet.

Mr. Welsford graphically illustrates and explains the fundamental importance of capital goods production in providing high levels of employment.

He cites the estimate that in peacetime about 45% of all those employed in manufacturing and distributive trades derive their employment directly or indirectly from expenditures for capital goods, also another well-sourced estimate that between 18% and 25% of the total national income must be spent each year for new capital investments to sustain full employment.

Illustrating the point that demand for consumer goods provides only a limited and relatively static amount of employment, Mr. Welsford says:

"The development of railways and the automobile did not begin because the people demanded something better than the horse and buggy. They both had their beginning only because a few individuals and corporations had the initiative and enterprise to make expenditures which have provided millions of people with employment and with a more useful and cheaper mode of transportation. Employment in all other industries throughout the country has been initiated in the same way."

Radio is a recent example which he could have cited. None of the hundreds of thousands of people, now directly or indirectly supported by this giant industry, would have had their jobs unless someone had done the research, paid for the development and financed the wholesale building of receiving sets and of broadcasting stations.

Mr. Welsford's emphasis on the importance of the investment in capital goods is very timely.

Present tax arrangements are as much a deterrent to socially useful capital expenditures by corporations as if they had been expertly designed for the purpose.

The author points out that depreciation rates for different kinds of assets are rigidly fixed by tax authorities and, in some cases, the rates are too low to cover the factor of obsolescence, in other words, to permit plants to keep plants modern, thereby increasing efficiency, lowering prices.

"If an asset is scrapped before it is fully depreciated at these arbitrary rates, it is treated as a capital loss and the owner is not permitted to write this loss off through his income account. The absence of adequate non-taxable reserves for inventories and other operating contingencies has frequently been responsible for the use of cash reserves for depreciation to meet operating losses. The amounts allowed as reserves under the Excess Profits Tax Act, with the tax rate at 100%, are wholly inadequate to provide industry with the money required to cover depreciation, inventory losses and the unavoidable expenses of reconversion from munitions production."

If our fiscal authorities want the democratic, enterprise system to survive and to do the supreme job of providing high and regular levels of employment, then tax changes must be forthcoming. Tax changes forecast now would help very much in letting employment-giving executives blueprint their plans.

Obviously such tax changes are not requested for the purpose of avoiding taxation; for shifting from business and businessmen their appropriate share of the costs of war and of government. But when the incidence of taxation works out in such a way as to prevent people having jobs, it is high time for a change.

What Does Mr. King Plan?

An overwhelming majority of the British voters do not want a general election until Germany has been defeated, according to a Gallup Poll survey taken in the United Kingdom. In Canada a Gallup survey says 57% of the people are opposed to a pre-victory election.

The Speech from the Throne declaration that there would be no election "unless necessary" was eagerly and promptly qualified by Mr. King when he later told the House that that didn't mean there would NOT be an election this year.

Holding an election is a needless dissipation of our national energies. We can do quite well without one for the present.

Real Estate Taxes

C. S. Hamilton, vice-president and general manager, The Trusts & Guarantee Co. Ltd., emphasized one very important point in his annual meeting address. That point is that present real property taxes are inequitable, inefficient and defeat sound community development. He said:

"Every postwar plan emphasizes housing shortage and the part to be played by construction. It is generally conceded that construction is retarded by taxation. Over the 15-year period ended in 1939, the number of home owners in Toronto declined. This decline, coupled with increased population in the same period, resulted in more than doubling the number of rented apartments.

"This situation can only be attributed to lack of confidence in real estate as an investment by reason of an inequitable municipal taxation and fear of Government competition in the form of controlled projects with minimum taxation, an unsound and unjustifiable use of the taxpayer's money to devalue his own investment."

Mr. Hamilton went on to say that "human nature is such that a responsible, municipal electorate cannot be expected with but 25% paying directly 90% of municipal taxes."

He urges that the right to elect municipal government should bear "some reasonable relation" to the ownership paying taxes, that real estate should be taxed to pay only for those services serving real estate, and that assessment should have some regard for the earning value of property.

Property owners of the whole country should see to it that government get busy with basic reconstruction of our tax system. Present property taxation and its social and economic effects should not be tolerated any longer. Faced with challenging postwar problems, we can't afford to tolerate them.

What They Are Like

George W. James, editor of the Canadian Statesman, Bowmanville, Ont., has been writing a series of articles on the recent CCF book, "Make This Your Canada."

Mr. James quotes from the Regina Manifesto, still the basic CCF platform: "We stand resolutely against all participation in imperialistic wars. . . . We must resist all attempts to build up a new economic British Empire. . . . Canada must refuse to be entangled in any more wars fought to make the world safe for capitalism." That was asserted in July, 1933.

Here is more that Frank Scott, chairman of the national CCF party, has said in the book "Social Planning for Canada," published in 1935.

"The plain fact is that a big war is more than likely now and that a policy of neutrality seems just as possible for us as it does for the United States . . . it will certainly cost us less to stay out than to go in. . . . We should serve notice now that we intend to remain neutral. . . . The Canadian people as a whole have no more interest in this American imperialism than they have in British imperialism and we must try to keep from being entangled in its operations."

Those are some very revealing statements about people who want to manage the Canadian revolution and create a new country for the Canadians in the armed services to come home to.

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Enterprise, The Foundation of Employment

H. G. Welsford, vice-president, Dominion Engineering Works, Ltd., Montreal, has just produced another brilliant pamphlet on the challenge facing business and the manner in which that challenge can be met. His earlier paper was entitled "Employment, The Foundation of All Social Security," and which brought widespread comment. Herewith a digest of an important section of his newest production.

It is estimated that in peacetime about 45% of all those employed in manufacturing and distributive industries derive their employment directly or indirectly from expenditures for capital goods. Competent authorities in Great Britain and the United States, and the James Committee in Canada, estimate that something between 18% and 25% of the total national income must be spent each year for new capital investments in order to sustain full employment. It was this 45% group of workers in the capital goods and construction industries which suffered most from unemployment during the depression of the 1930's.

There is no other sound and constructive way in which a high level of expenditure can be initiated and maintained except through the investment of substantial amounts of capital for the expansion and development of our industries. We have only to look at the tremendous expansion of our population and industry which has taken place on the North American Continent during the last 150 years to appreciate how much has been invested in improved means of production and distribution, and what this investment has meant to us in terms of employment and better standards of living.

The employment which has produced this tremendous development has not been initiated in the first instance merely by meeting the day-to-day demands of consumers.

In the main it has resulted solely from the enterprise of individuals who have initiated expenditures for the expansion and development of trade and industry.

For example, the development of railways and the automobile did not begin because the people demanded something better than a horse and buggy. They both had their beginning only because a few individuals and corporations had the initiative and enterprise to make expenditures which have provided millions of people with employment and with a more useful and cheaper mode of transportation. Employment in all other industries throughout the country has been initiated in the same way. There is no such thing as enterprise, either private or public, without it.

There undoubtedly is much room on this Continent for a further expansion of population and industry but an expansion is no longer possible based upon extending the frontier which now exists only to the north. Therefore, broadly speaking, the industrial problem on this Continent has changed to one of expansion of industry through a more intensive development and cultivation of what we already have, rather than expansion of the kind which took place during the country's pioneer period.

The possibilities for the development of our industries as a means of providing increased production and a high level of employment by the use of improved facilities of production and distribution, are almost unlimited.

A large proportion of the industrial and distributive equipment in use today is obsolete, and inefficient by modern standards.

The automobile industry is an example of one which has pursued a policy of ruthlessly scrapping their existing equipment, regardless of its age, when new equipment could be purchased which would enable them to sell better automobiles at a lower price and, therefore, enlarge their market.

By this policy they not only increased production and employment in their own industry, but their expenditures for new equipment and materials indirectly provided much additional employment in others. The more employment opportunities that are needed, the more necessary it is that industry must initiate capital expenditures for development of this kind.

It will be necessary to support a program of expenditure by taxation changes which will give direct encouragement to industry to continue to spend its depreciation reserves in this manner.

Cartoon by Grassick

Post-Scripts . . . .

The New U.B.C. Man

A New Brunswicker, who lists among his talents that of butter-making, who started out to be a doctor or clergyman and became university president instead, has been selected as the new head of the University of British Columbia.

DR. MACKENZIE

Dr. Norman MacKenzie, K.C., for several years president of the University of New Brunswick and latterly chairman of the Canadian government's war information board, will probably leave his post in the eastern province within a few weeks to take the post offered him at the other end of Canada.

Going West will not be an entirely new experience for Dr. MacKenzie, who was the youngest of the candidates for the British Columbia appointment, and he has made it his business to familiarize himself with many of the problems of the Pacific rim.

When just a lad of 16 he set out for Saskatchewan on a harvesting excursion. The son of a Presbyterian minister, he and his two brothers liked the prairie so well that they decided to stay. Young Norman became a practical farmer, learned about growing wheat, making butter and curing meat.

Then the war came along and Norman MacKenzie joined the Sixth Canadain Mounted Rifles. One of his buddies in that unit was the late Norman Rogers, former Minister of National Defense, who was killed during the early months of the war.

After being invalided to England for a while Trooper MacKenzie returned to France, this time as a private in the 85th Nova Scotia Highlanders, commanded by Col. J. L. Ralston, the present Minister of National Defense. By August, 1918, Sergeant MacKenzie was the last survivor of his platoon. When the war ended he had won the Military Medal and Bar and was studying for a commission.

Returning to Canada, his family had his career picked out for him, but offered him an alternative, the clergy or medicine. MacKenzie made his own decision, chose the law. It proved a wise choice because he was to become one of Canada's outstanding international lawyers. The Government has often called on him for advice.

In 1931 Dr. MacKenzie was in Shanghai as a Canadian delegate to the Pacific conferences which convened after the Japanese invasion of Manchuria. Seven years later he represented Canada at the British Commonwealth Relations Conference in Australia.

For 12 years he served as research chairman of the Canadian Institute of International Affairs. In 1925 he joined Gray's Inn, London, and in the same year he was named legal adviser to the International Labor Conference at Geneva.

In 1927 he was appointed professor of law at the University of Toronto. His appointment to the presidency of the University of New Brunswick came in 1940.

He was educated at Pictou Academy and graduated from Dalhousie University in 1921 with the degree of B.A. Two years later his Alma Mater conferred on him the degree of LL.B. He continued studies at Harvard Law School, where he reecived the degree of LL.M. in 1924, and subsequently at St. John's College of Cambridge University and at Gray's Inn, London. He was called to the Nova Scotia bar in 1926 and was awarded a Carnegie fellowship in international law.

Married in 1928 to Miss Margaret Thomas, Dr. and Mrs. MacKenzie have one son and two daughters. He is a member of the United Church of Canada.

* * *

Washington Chief

Sydney Pierce who takes over "Jock" Carswell's job as director-general of the DMS office at Washington has been doing a war job in the U. S. capital for four and a half years.

MR. PIERCE

Back in August, 1940, Thomas Arnold, machine tool controller, wanted someone to represent him in Washington. He chose Pierce, who subsequently became director of controls when the organization started growing under Carswell. What Pierce did to clear away export red tape and trade barriers between Canada and the U. S. in respect of war goods, is still remembered as one of the most important and effective war jobs in so far as relations between the two countries are concerned.

Later, Mr. Pierce went over to the Combined Production and Resources Board when Canada was given full membership alongside U. K. and the U. S. He has been E. P. Taylor's right-hand man in that capacity, until the reorganization which was officially announced a few days ago.

Pierce was born in Montreal in 1901. His mother is a Canadian; his father a Lithuanian Polish Jew who came to this country 70 years ago and eventually founded the Canadian Fur Auction Sales. He carried on one of the largest wholesale fur businesses in Canada. His other interests extended to different parts of the world and included an orange grove in Palestine.

Sydney Pierce was educated in Montreal; won gold medals at McGill and for a year or two was a reporter on the Montreal Gazette. He left journalism for Constitutional History and Political Science at Dalhousie, but after a year at Halifax joined the night staff of Associated Press in New York. He came back to Montreal to look after some of his father's diverse business interests. This took him to Europe, Palestine and other parts of the globe.

One notable accomplishment of his youth was his membership on the Canadian Olympic team of 1924, as champion Canadian hurdler. He took up hurdling because he was no wonderful football player. Fortunately Jack Nicholson, famous Notre Dame coach got hold of him and turned his long legs and excellent physique into a champion.

* * *

Northwest Purchaser

Former vice-president and general manager of the Gillespie Grain Co. Ltd., R. H. Settle, Edmonton, United Grain Growers Ltd., was recently named to succeed S. V. T. Jeffery, president and general manager of Northwestern Purchasing Ltd. Mr. Jeffery left Edmonton to return to Vancouver to his former post as purchasing agent for the CPR and supervisory officer for the department of munitions and supply in British Columbia.

A former president of the Edmonton Chamber of Commerce, Mr. Settle has lived in Alberta since 1904. Born in Nova Scotia, he moved west to seek a job. He started working in Edmonton by assisting in building the Mackay Avenue school which was used for the early session of the first Legislature. Later he handled barley for the Edmonton Malting and Brewing Company and the Alberta Milling Company.

In 1909 he joined the staff of the Gillespie Grain Co. Ltd., taking charge of a country elevator. From this post, he worked his way up to vice-president and general manager. In 1943 the company with which he had served for 34 years was acquired by United Grain Growers Ltd. and Mr. Settle maintained his office and was given a high-official position with the new firm. He saw the Gillespie Grain Co. Ltd. expand until it had 68 elevators. When he started with the firm it had only six.

Mr. Settle's new charge was opened in Edmonton last February as a crown company organized to facilitate purchases in connection with northern projects.

Head office of the company is a large pre-fabricated structure erected beside the Jesuit college, which was purchased by the United States Army shortly after the bombing of Pearl Harbor. There also is a commissary branch which operates from a downtown office.

In November, 1943, Mr. Settle was elected to the national council of the Canadian Chamber of Commerce.

Due mainly to his associations with the Gillespie Grain Co. Ltd. and the Edmonton Chamber of Commerce, Mr. Settle is well-acquainted with the projects being carried out in the north. In the past few years, he has made several trips by train and plane to see some of the work being done by Americans and Canadians.

* * *

New Books

TOMORROW ALWAYS COMES by Vernon Bartlett. Published in Canada by Macmillans. Price $1.50.

This is an imaginary diary of tomorrow—of the weeks, and months during which we will be finishing the job of defeating Germany and getting to the stage where constructing the actual peace can be undertaken.

Mr. Bartlett's text is the Philip Gribble epigram "Today is yesterday's effect and tomorrow's cause, and not merely yesterday's future and tomorrow's history."

The author builds his imaginary diary on sober and experienced analysis of today and yesterday, on experience of how actually the wheels of world affairs go round, of how in reality human affairs work.

It is grim but sobering reading.

THE CANADIAN ALMANAC FOR 1944. Published by The Copp Clark Co. Ltd. dited by Horace C. Corner. Price $7.

This is the 97th consecutive annual edition of this very useful Canadian reference book. In addition to Dominion Cabinet Ministers, members of the Senate and House of Commons, provincial ministers and members of the Legislatures, the volume lists departmental officials of both federal and provincial governments, WPTB and other government boards and commissions, judges, court officials, clerks, secretaries and treasurers of municipalities and much other important reference material.

Other People's Views . . . .

The Canadian Editorial of the Week

Revise Our Tax System

Winnipeg Free Press

The necessity of modifying taxes on initiative and investment after the war is recognized by Government, by the James Committee on reconstruction—surely no particular friend of big business—and by Canadians generally. The James Committee proposes the postwar abolition of the excess profits tax and the reduction of the corporation tax. What actual plans the Government has in mind the public has not yet been told. We can assume that a far-reaching revision of business taxes is intended.

But this does not begin to protect the ordinary individual taxpayer from the grave injustices of our present taxation system. The welfare of the country will require a complete overhaul of our tax machinery and the public will demand it. While the Government is studying the problem of business taxation, it should also be preparing to put our system of individual taxation on a new basis of efficiency and equity.

Our present taxation system contains—besides many less important faults—four intolerable injustices which do not exist in the British or United States system.

First, our tax laws are undemocratic. In the minister of national revenue—which means actually in his deputy and other officials — the law vests almost dictatorial powers; and not only dictatorial powers but sweeping powers of discretion.

The second injustice of our system is its methods of taxing the same income twice.

When a company earns a profit the Government at once takes 40% under the corporation tax. But when the remaining profits are distributed to the shareholder he is taxed on them again. The small investor is taxed twice and, worse than this, he is always taxed in the first place as if he were a rich man, at the high rate level on a rich corporation.

The third inequity of our system is even less defensible.

When a citizen invests in a government annuity, or in a life insurance company's pension plan, he invests his savings, his capital. Under our law, capital is not taxable. But when the annuity holder gradually withdraws his capital, in the form of pension, this capital is taxed as income.

The fourth weakness in our system is in its method of collection. Under the strain of war the income tax collecting machinery has bogged down. The overworked and often underpaid officials of the Government simply cannot keep abreast of the huge mass of returns now being filed by taxpayers. The result is that the taxpayer may not know for two years or more whether he has paid all his taxes, whether he owes the Government more (with severe penalties) or whether he has overpaid.

* * *

As Others See Us . .

Effective Campaign

Action Free Press

The Financial Post is carrying on a most effective campaign to stop the racketeering in worthless stocks. Surely the public memory can go back to 1929-30 and heed the warning now, or is there a new bunch of suckers ready to be fleeced?

* * *

They Are at it Again

Kentville Advertiser, N.S.

Mining stock racketeers are on the ride again. The mails, telegraphs and telephone communication systems are carrying their false message to the people. The Financial Post has again taken up its crusade against the operation of these unbridled crooks from Upper Canada, and forcing the issue so strongly that a Mining Commission sitting in Toronto recently decided something must be done to protect the public against these fake operators.

Persons who are solicited by people they do not know should immediately get in touch with someone who knows what is going on. Your lawyer or your banker will give you advice which will be safe to follow. Do not fall for build-up stories from get-rich-quick-Alecs. One of their "come-ons" is to get you to sell your Victory Bonds—Don't do it!

* * *

The Mail-box . .

Well, Thank You

I cannot resist the impulse to congratulate you and your staff on the splendid news and editorial services you are rendering to Canada ... these critical times. For sanity and sound leadership your current issues are beyond praise. I would be glad to know that the subscription list is growing by leaps and bounds. This would be an assurance that Canadians are seriously studying the needs and the economic problems of their country.

In this same connection an Australian journalist is using a slogan or phrase which goes straight to the heart of the matter. You may know it but if not I pass it on. "Think or be Damned!"

Fraternally yours,

Toronto. A. H. BAILEY,

* * *

What The Papers Are Saying . . . .

Quebec's Debt to Britain

Stettler (Alta.) Independent

Dr. Leacock seems to think that there is no remedy for the isolation of Quebec, but there is always a remedy for false conceptions, for ignorance of history and for national misunderstandings Let our politicians take the statesmanlike view and get close to the people of Quebec. But they must talk turkey instead of blather, and more than all the Ottawa Government must stop appeasing the isolationist and anti-war circles of Quebec and in co-operation with the Trade Union Movement and other pro-war forces, launch a widespread educational campaign, regarding the real issues of the war.

In addition, firm action must be taken against the 5th Column and its agents in Quebec, and all positions of authority given to those who whole-heartedly support the war of the United Nations.

* * *

Democracy Superseded

Windsor Daily Star

In his vehement declaration of the CCF principles, David Lewis, the National Secretary of the party, continues to use the anomalous wording that so often comes from himself and other leaders about their political policies.

"When we come to power democratically," he says, "we will proceed to install the Socialistic program for which the people voted."

Such a contradition of terms is designed to beguile the people. There is need for a clear understanding here. Democracy and Socialism do not go together. We cannot have both. The CCF says it will bring in a Socialistic regime. Therefore, it rejects democracy. They are two distinct systems of government, and they cannot exist in the same state. A Socialist country cannot be a democracy.

The CCF leaders undoubtedly know this. They are, therefore, deliberately attempting to mislead the people. True, they can, if they are able to gather the strength, achieve their aims by democratic means, but once they are in power and put their principles into practice, democracy will be superseded.

Selected Immigration

Vancouver Province

Not very many Canadians, the Gallup Poll shows, are in favor of a policy of unrestricted immigration to this country. Most of those questioned favored a policy of selection, and that, of course, is the realistic and sensible policy.

Canada, with her vast governmental, railway and industrial structure, needs more people to function effectively. She has great resources, but she cannot realize upon these without people to develop them. Her potential wealth is enormous, but so long as it is potential merely it does her no good while it constantly excites the envy and cupidity of those nations which lack the things we have in such abundance. The way to keep these things and enjoy them is to invite people in to help us develop and utilize them.

At the same time it would be foolish in the extreme to open our gates to all and sundry. We want only people who will fit into the framework we have set up, people who appreciate our ideals and will help promote them.

* * *

Sayings of the Week

"Today man faces the most superb opportunity which has come to him. His world lies in ashes. It is now his to rebuild."—*Henry J. Kaiser.*

* * *

"Scientists tell us that while we have made material advancement in the past, we have only scratched the surface of our possibilities . . . Opportunities for a forward advance may slip through our grasp if we destroy incentive and throttle private initiative which have been the creative forces in the building of this country."—*Herbert Begg, chairman, The Trusts & Guarantee Co. Ltd.*

The Financial Post

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Total Trade: Pivot of Prosperity

Marketing Series Lecturer Reviews Canada's Postwar Chances

What are Canada's chances for prosperity in the postwar world? Will domestic and export markets be extensive enough to maintain the national income, and employment, at a level sufficiently high to keep the wheels of industry turning smoothly?

These are some of the questions posed and answered by Floyd S. Chalmers, executive vice-president of the MacLean Publishing Co., Ltd., in one of a series of lectures at the University of Toronto on "New Ideas in Marketing." Mr. Chalmers' topic was "Canada, a New Market."

The lectures are being given in a university extension course arranged by the Department of Political Economy, in co-operation with the Advertising and Sales Club of Toronto, the Canadian Credit Men's Trust Association, the Canadian Retail Federation and the Canadian Manufacturers' Association. Co-ordinators of the series are Dr. W. J. Dunlop, director, University Extension, and S. G. Murray, Department of Economics. On the organization committee are:

H. A. KAYES, Canadian Johns-Manville Co.;
M. W. SPARLING, North American Life Assurance Co.;
HALL LINTON, MacLean Publishing Co.;
BYRON HADDY, Canadian General Electric Co.;
HUGH CREE, Canadian Retail Federation;
HUGH JOY, Canadian Kodak Co.

In Good Position

With production in practically all fields at new high levels, with a greatly expanded and much more efficient industrial plant than ever before, and a new war-trained and highly skilled reservoir of workmen available, Canada is in a good position to prosper, provided world conditions are right, argued Mr. Chalmers.

Domestic needs will be great in the early postwar years, due to the backlog of civilian demand which has piled up during the war years. And purchasing power will be high, despite heavy taxation and other demands on the Canadian purse.

In war savings alone Canadians have accumulated about $2.3 billions. Increases in savings bank deposits and life insurance assets boost this total to $2.8 billions. Immediate buying power in Canada after the war will be "very large," it was predicted.

Look to Exports

When these needs have been satisfied, however, Canada must look to export markets, to a sensible, smoothly functioning system of world trade, if prosperity is to be maintained.

"The final determinant of Canada's prosperity is the state of the world," says Mr. Chalmers. Immigration, especially migration of industry from Britain or other countries, as has been suggested, may be an important factor, but export markets will be of primary importance.

Collaboration Essential

If the world is to be rebuilt, if people are to be fed, housed and clothed decently, "generous, farsighted collaboration by all the nations in the questions of tariffs, monetary stabilization and other factors influencing trade volume," will be essential.

Determination to achieve these new policies has been amply demonstrated but there is still "a thorny path of international action to travel before we can be sure that deeds will match ends; that the great nations will indeed cooperate to create bigger markets than man has ever known, rather than quarrel among themselves over ever-contracting markets."

Should Be "First Job"

Maintenance of the national income and consequent "possibilities in the Canadian market are so largely dependent upon the size and character of our export markets that the development of these export markets might well be considered the first job of both government and business after the production of the materials of victory."

However, a large volume of export trade is only a means to an end, which is, "an increase in our level of employment and our standard of living." Export just to build up huge currency balances and capital investments in other countries must give way to exports designed to meet service on "our own foreign obligations and to import those elements in our standard of living that are not produced in Canada."

Broad Basis Needed

It is total trade across Canada's frontiers that will count, both import and export — "trade on the broadest possible basis must be our objective."

Some suggested methods for finding export markets for products of Canadian farms, factories, forests, fisheries and mines were devices like currency depreciation, continuance of mutual aid and wage-paring. They are not the answer to the problem. They will not bring prosperity or full employment.

"Only the widest possible interchange of goods between the nations, facilitated by a re-established monetary system, and a new global approach to the subject of tariffs and other controls on such trade, will suffice to give Canada its chance to enduring economic stability."

Exports Basic

To Canada, however, far down the list of the nations in population but third in trade, export markets are one of the basic factors in the long-term picture.

Today, Canada exports 70% of the war material it produces; half of its agricultural produce is sold abroad. One challenging circumstance where farm exports are concerned is that "not more than half the people of the world have enough to eat for decent health, at least half of the others do not get a balanced diet."

Competition Keen

Competition in postwar markets will be keen, and Canada will have to be on its toes if it is to get its share of the trade available.

Matters to be watched carefully are: maintenance of the efficient production methods which now enable Canada to compete on a competitive cost basis, utilization of skills acquired and development of new skills, development and use of most modern tool equipment and most advanced industrial techniques, emphasis on products which Canada can produce cheaply and well, a drive for foreign markets.

U.K., U.S. Important

As for actual steps looking toward wider trade possibilities, intimate and freer trade relations between Canada on the one hand and the United States and Britain on the other, are essential. Canada never meant to be a protectionist country. It would never have been had it not been so often "rebuffed by Washington in tariff matters." Recent discussions appear to foreshadow more sensible Canada-U.S. trade relations.

Britain has been our best and largest customer. A complicating factor after the war will be Britain's loss of much of her foreign investments, shipping, factories, and the rise of other nations able to compete with her industrially.

Growth is Rapid

In the domestic field it is obvious that in capacity to produce and in variety of production Canada has compressed the normal growth of a generation into the last four years. After the war Canada will have productive capacity and skilled workers able to meet great domestic and world demands, if these are forthcoming.

In Canada, there will be accumulated buying power which has piled up during the war. It will be very large and will help keep the industrial wheels turning in the immediate postwar years. Demand will be based upon normal purchasing which has been deferred by the war. It is almost certain to be on a larger scale than in the late 1930's.

In any event Canadian industrialists are planning boldly for the future. Interesting figures on proposed capital expenditures for one branch of industry, the vegetable products group, have been compiled by the Postwar Research Department of the MacLean Publishing Co.

In the first three years following the war this group plans to spend about $24 millions in constructing, expanding and rehabilitating plant facilities. These companies expect an increase in employment over 1939 of 22.5%, of 9% over today's employment.

Where the long-term picture is concerned, however, export markets and immigration come into the picture. Immigration is no easy panacea for unemployment, but it may be important, especially if it is in the form of industrial migration from Britain or other countries.

On this latter point Mr. Chalmers referred to the "substantial body of opinion in the British aircraft industry that Canada should be the centre of aircraft production and commercial aviation for the whole empire. Those who hold this view feel that Britain is too hazardous a spot for an industry that is so vital in war as in peace. They suggest that British aircraft plants should be transplanted in Canada — bringing with them engineering staffs, machines and men to man them."

Canadian Mills Against Lightweight Newsprint

Special Committee Finds That Little to be Gained by Reduction From Standard Weight Paper

From Our Own Correspondent

MONTREAL.—Reduction in the standard weight of newsprint paper from 32 to 30 lb. a ream would cause a reduction of the total supply of paper and inequities between publishers, according to a special report issued by the Newsprint Association of Canada.

There is no question as to ability to produce the 30-lb. weight. With customers willing to pay higher prices, there could be no serious disadvantage to the mills as long as customers were prepared for the ill effect on total supply and were ready to take responsibility.

More Paper; Less Tonnage

The Production Committee of the association goes on to report that newsprint of 30-lb. weight gives about 6 2/3% more yards per ton than the 32-lb. weight. But machine capacity drops with any reduction of basis weight. Experience shows that a change from 32 to 30 lb. brings an average loss of about 11% in tons per hour and, consequently, a net loss of 4-1/3% in yards per hour.

On machines already running full-time, a change to 30-lb. paper means a clear loss of supply, both in tons and in yards.

The committee asks: Are there other machines, with available resources, sufficient to make up for the above loss?

It then goes on to answer by saying that a considerable part of Canadian capacity is not available for present newsprint production due to lack of wood or lack of power, or because machines are making other essential products.

The committee considers three possibilities:

1. An over-all change to 30-lb. weight which all customers would receive regardless of preference.

This would result in a loss of 9.4% in tons and 3.4% in yards. The present Canadian commitment of 200,000 tons a month would have to be reduced accordingly.

2. Production of both 32 and 30-lb. paper, arranged by Government direction to yield maximum yards instead of tons.

This would result in a small loss in tons and a gain of 0.56% in yards. Consumers could not be certain as to which weight they would receive.

3. Production of both 32 and 30-lb. paper according to varying arrangements between mills and customers and without Government direction.

This seems to be the result that would most easily develop, says the committee, but it would result in a loss both in tons and yards. For this reason, there could be no firm commitment as to Canadian supply and no certainty in monthly allocations.

In terms of total supply the general result, declares the committee, would be a loss of both tons and yards, with higher prices per ton and with inferior quality of paper.

Sask. Cautious In Approving Bargain Bill

Value of Compulsory Collective Negotiation Queried By Commission

Compulsory collective bargaining was approved, but with reservations, by the commission appointed last spring by the Saskatchewan Government to investigate the highly controversial Bill 51, containing proposed new labor legislation for the western province.

Report was submitted to the Saskatchewan Cabinet by Chief Justice W. M. Martin, of the court of appeal, chairman. Sittings were held in many centres of the province.

Possibility that compulsory collective bargaining may be approved in new Dominion legislation, to be brought down shortly, is believed to have been a factor in the Saskatchewan commission's recommendation.

Commission Queries Efficacy

But the commission, while not suggesting any change in the compulsory collective bargaining clause in the original measure, was quite clear that it did not believe it would improve relations between employer and employee, or that it would be much of a factor in preventing or ending strikes. It pointed out that such legislation had not been very effective in United States, nor in Australia and New Zealand.

It expressed disapproval of the closed shop, but did not recommend it be prohibited. Its suggestion, however, regarding the check-off system of paying union dues presumably would make the closed shop system much less effective.

Proposal

The commission proposes there be no check-off, or payment of dues into the majority union by deduction from the worker's pay before he gets it, until the worker has authorized it in writing. It would also give workers, who do not belong to the union, or who belong to a minority union, the right to make complaints.

The commission would make it compulsory for a labor organization to present an annual audited statement of its financial position to the members of the union, and to the Minister of Labor. It opposed incorporation of unions.

Lebel Oro Mines as at Sept. 30, 1943, reports current assets of $81,765 as against current liabilities of $125. Net loss for year ended Sept. 30, 1943, was $51. A total of 3,395,929 shares are outstanding.

The Week in Business

	Jan.	Dec.	Nov.	Oct.	Year Ago
Financial Post Production Index	....	264.1	264.0	262.5	234.2
■National Income, D.B.S. (c)	....	746	752	738	647
■Dom. war expend. (million $) ..	266.9	543.5	271.0	345.5	183.8
■Dom. total revenue (do.)	278.9	209.3	215.1	248.9	216.3
■Dom. total expend. (do.)	348.4	704.6	501.0	440.1	231.9
Dept. store sales index no.	....	....	169.3	157.3	168.5
■Retail sales index no.	....	167.9	165.0	157.6	156.4
■Wholesale sales index no.	....	165.6	170.3	175.2	148.4
Country store (% change pr. yr.)	....	+10.7	+11.0	+5.3	....
Divd. payment index♠	127.0	125.9	124.6	123.9	122.5
Bank deposits (1935-39=100)	....	191.2	176.3	175.3	157.9
Cash and cheque pay. index	....	192.5	238.4	186.8	165.8
Bank debits (1935-40=100)	....	164.3	195.4	155.0	142.1
Money supply (c)	....	5,271	4,930	4,886	4,343
NEWSPAPER % OF CAPACITY—					
Production ratio	....	67.4	69.2	70.1	66.0
Shipment ratio	....	65.1	70.4	70.7	65.8
RAILWAY FREIGHT LOADINGS—					
Tons (D.B.S. index)	....	196.1	164.5	135.4	175.9
Cars (D.B.S. index)	....	153.2	138.8	121.6	145.2
COST OF LIVING—					
D.B.S. index	119.0	119.3	119.4	119.3	117.1
EMPLOYMENT INDEX No. D.B.S.—					
■All industries	....	190.6	188.7	187.6	186.5
■Manufacturing	....	231.0	230.8	231.3	221.7
■Payrolls (June 1/44=100) (b) ..	....	153.4	152.0	150.7	144.0
Payrolls (1937=100) (a)	....	....	215	221	216

RAILWAYS—	1943-44	1942-43	1943-44 (Jan. 1 to date)	1942-43 (Jan. 1 to date)	Change %
■Carloadings (week Feb. 5)	67,802	62,256	337,702	289,495	+16.6
■C.P.R. gross (week Feb. 7) $	5,376,000	4,579,000	29,311,000	23,507,000	+24.7
C.N.R. gross rev. .. (Nov.) $	37,001,000	31,886,000	401,535,000	338,715,000	+18.5
C.N.R. net rev. ... (Nov.) $	7,226,000	6,602,000	88,583,000	78,266,000	+13.1
C.P.R. gross rev. .. (Dec.) $	27,282,823	24,523,338	297,107,791	256,864,091	+15.7
C.P.R. net rev ... (Dec.) $	5,017,649	5,194,311	49,211,567	48,187,689	+2.1
IRON AND STEEL—(December)					
Pig Iron production (tons)	137,256	164,382	1,758,265	1,975,015	—10.9
Steel production ... (tons)	227,822	269,834	2,996,978	3,121,361	—4.0
CONSTRUCTION—					
■Contracts awarded (Jan.) $	8,782,400	11,984,300	....	....	—26.6
■Building permits .. (Dec.) $	5,606,000	6,625,000	89,212,388	104,235,848	—14.4
■Cement prod., bbls. (Nov.)	497,000	623,000	7,075,665	8,800,092	+19.5
AGRICULTURE—					
Flour prod., bbls. .. (Dec.)	2,173,433	2,062,835	24,474,696	20,760,396	+17.8
Cattle sales▲ ..... (Jan.)	94,294	56,909	......	......	+65.5
■Hog sales▲ .... (Jan.)	901,665	499,844	....	....	+80.5
SEA FISHERIES—†					
■Catch, cwts. ...... (Nov.)	978,418	761,600	10,351,275	10,047,300	+3.0
■Landed value .... (Nov.)	1,968,496	1,494,300	31,810,276	30,259,300	+5.1
NEWSPRINT—					
■Production, tons .. (Jan.)	242,658	233,544	....	....	+3.9
Exports, tons .... (Dec.)	224,482	226,779	2,816,566	3,006,150	—6.3
MINING AND OILS—					
■Coal prod., tons ... (Dec.)	1,609,349	1,739,700	17,786,562	18,865,030	—5.7
Gold rec. (fine oz.) (Dec.)	268,337	349,459	3,606,542	4,594,487	—21.5
Petroleum prod., brl. (Nov.)	789,430	838,511	9,147,479	9,506,121	—3.7
ELECTRICAL POWER OUTPUT—(December)—					
Total monthly 1,000 kw.h.'s	3,559,509	3,252,435	40,377,649	37,199,182	+8.6
FOREIGN TRADE—♦					
Imports .... (Dec.)	134,872,074	137,569,394	1,735,076,890	1,664,241,933	+5.5
Exports .... (Dec.)	307,963,754	271,239,281	3,001,352,279	2,385,466,046	+25.8
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. .. (Dec.)	2,704,543	2,650,375	34,282,079	33,199,912	+3.3
Cotton consump. lb (Dec.)	14,081,231	15,797,619	180,650,455	201,938,609	—10.5
■Cigarette cons. No.† (Jan.)	1,001,684	872,109	....	....	+16.0
FINANCE—					
Bank debits† ...... (Dec.) $	4,850,428	4,194,614	53,796,715	45,526,254	+18.2
Bond sales† .... (Dec.) $	171,766	92,552	6,686,094	4,290,673	+55.8
Life insurance sales (Dec.) $	51,999,000	45,576,000	587,008,000	534,822,000	+9.7

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. †000 omitted.
▲Total at yards and plants. ■New items for week.
♠Supplied by Nesbitt, Thomson & Co. (c) 000,000's omitted. ♦Gold excluded.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

100% EPT Alters John Bertram Net

Last week The Financial Post reported 1943 earnings of John Bertram & Sons, machine tool manufacturers, Dundas, Ont., as being approximately the same as for 1942.

H. G. Bertram, president of the company, points out that while this is true of gross earnings, net profit will not be the same owing to the effects of a full year's operation at the 100% EPT rate. He states that shareholders have no cause for undue alarm over the change in earnings.

Quatsino Copper-Gold Mines carried out no work in 1943 but the company's property comprising 42 claims in the Quatsino division and 14 claims (85% interest) near Duck Creek in the Quesnel division, B.C., remain in good standing, the company's annual report states.

From $1,000 to $75,000 in Twelve Years!

Recently, four men, each needing advertising to be prepared, came to see me. Two of them wondered whether their work was big enough to be interesting. It was—not because of the immediate revenue in it, but because it had possibilities for expansion.

Almost all advertisers have started their advertising in a modest way. For example: twenty-four years ago when I started this business, one of my first customers was a man who wanted to spend $1000. and he asked for 60 days' credit at that! He got the accommodation, because he was a man of character and had a good product. We worked along together for twelve years until he was spending $75,000.00 a year for advertising out of profits from that one line. I helped him place it all over Canada and in the United States and West Indies.

Then he died; and a Trust Company sold his business to United States interests who promptly gave the advertising to an American agency. And that was that!

If your appropriation for advertising is modest, you need far more skill and judgment to be used in planning and creating it than a firm with a hundred thousand dollars to spend. They may be able to experiment.

So—if your product and business has possibilities of growth, I shall be glad to talk business with you as a preliminary to your retaining me and my organization to plan and create your advertising.

A list of present clients, for reference purposes, will be sent on request.

Thornton Purkis
Advertising and Sales Counsellor
330 BAY STREET, TORONTO
ADEL. 6221

RSC INVESTMENT SERVICE

Victory Loan Bonds
"To Have and To Hold"

That is a privilege many countries cannot offer at this time. Buy Victory Loan Bonds regularly and hold them. There is no better security in Canada.

Royal Securities Corporation
Limited
Established 1903

Offices throughout Canada

330 Bay Street, TORONTO
244 St. James Street, MONTREAL

SHARE IN EXPERIENCE

Investment experience gained by this organization in a period of fifty-five years is placed at the disposal of our clients. Complete investment service is available at any of our offices.

Buy and Hold Victory Bonds.

A. E. AMES & CO.
LIMITED
Business Established 1889
TORONTO
Montreal Winnipeg Vancouver Victoria New York London, Eng.

Foundation for Credit

Private credit is wealth. Those who, by accumulating Victory Bonds and other sound investments, show their capacity to acquire wealth—also establish the foundation for credit when business opportunities arise.

Write for our Record of Investments booklet. Keep an up-to-the-minute account of your growing capital.

McLEOD, YOUNG, WEIR & COMPANY
LIMITED
Metropolitan Building, Toronto
Telephone: Elgin 0161
Offices at Toronto, Montreal, Ottawa, Hamilton, London. Correspondents in New York and London, England.

DUN & BRADSTREET of CANADA, Limited
The Mercantile Agency
ESTABLISHED 1841
20 Offices in the Dominion

There are No tariff walls between Provinces

IN the search for new markets the Canadian manufacturer in any one of our nine provinces can "export" to the eight others with 'nary' a tariff wall to hinder him. Think of that! Nine separate and distinct units, each with its own provincial bounderies, its own parliament, its own laws. The people in British Columbia are different from the Prince Edward Islanders; the Quebecois has little in common with the Ontarian; a hot "repeater" in Winnipeg gathers dust on the shelf of a Truro retailer.

Within our confines live a sampling of people from every part of the world, who have...and unless all signs fail, will continue to have ... the desire to buy and the ability to pay for the goods we make. Here is an honest-to-goodness export market right at our very door. An export market without tariffs, without intricate collection problems and which pays in coin of the realm.

This agency ventures to suggest that for the average manufacturer "Canada's nine-province" export market is the one to cultivate immediately. Foreign fields should, excepting in certain highly specialized lines, be considered as the jam . . . not the bread and butter.

It may be well to remember that there's more net profit in the dollars at your door. Perhaps our experience would help you gather them in. It would be our pleasure to call, on invitation.

DOMINION SQUARE BUILDING
MONTREAL

Stanfield & Blaikie Limited
ADVERTISING

ROYAL BANK BUILDING
VANCOUVER

Is Southern Pine a Threat?

Post Writer Sees Little Serious Danger to Canadian Newsprint Where Two Products Meet on Equal Terms

To determine the real facts regarding the threat of southern pine to the Canadian pulp and paper industry, The Financial Post sent its pulp and paper editor, John E. Langdon, on a 3,500 mile tour of the southeastern United States. In this, the fourth article of the series, Mr. Langdon appraises present and potential competition from southern newsprint and describes in detail his visit to the famous Lufkin mill.

By JOHN E. LANGDON

Canadian interest in the southern pulp and paper industry centres on the Southland Paper Mills' Lufkin plant which some publishers regard as the beginning of a move to make the American publishing industry independent of imported paper. This is the only mill in the South manufacturing newsprint. It produces between 50,000 and 60,000 tons annually or nearly 7½% of the total U. S. production.

Utilization of southern pine in the manufacture of newsprint paper has been a disturbing factor in what was otherwise a situation very favorable to Canadian mills. Over the course of the last three decades American publishers have come to be most dependent upon Canadian sources of supply.

Canadian mills do not expect to be able to hold this proportion of the American trade after the war. As soon as conditions permit, Scandinavian newsprint producers will be back in the market. At best, however, they accounted for only a small share—not more than 10%. Canadian mills do not fear this competition, except as it bears on the price of their product. They are more interested in what steps may be taken to increase domestic production.

Is Lufkin a Threat?

Does Lufkin represent a new trend dangerous to the dominant position now occupied by Canadian mills in the American market? A categorical answer one way or the other is not possible. But examination of the situation provides sufficient reason for confidence over the future position of the Canadian industry in the American market.

The Lufkin development arose out of agitation by the Southern Newspaper Publishers Association to have a local source of newsprint. The agitation took shape in 1934 when a committee was formed under the chairmanship of James G. Stahlman of the Nashville Banner.

Over the next three years little progress was made. In 1937, E. M. Dealey of the Dallas News entered the picture. Also and at about the same time, the well-known New York paper firm of Perkins-Goodwin Co. said it was ready to go ahead with the project provided publishers would contract for the output of the mill. This was done. The publishers went one better and subscribed to part of the capital stock.

The next move was to interest E. L. Kurth, prominent lumberman of Lufkin, who threw into the jackpot 108,000 acres of forest land and a half interest in a logging railway.

Perkins-Goodwin contributed substantially to capital requirements, but there was need for more support. At this stage, Jesse Jones, head of the Reconstruction Finance Corp., was approached. The project received his endorsement and the R.F.C. advanced $3,425,000 and removed the last obstacle to establishing the mill.

Ground was broken for the plant early in 1939. By the end of that year the $6 million project was ready to begin operations.

Though publisher-sponsored in the first instance, control of the Lufkin development is believed to rest with E. L. Kurth and Perkins-Goodwin Co., with the latter probably holding the largest share.

Lufkin is a one-machine mill, modern in every respect. It was not, when I visited it a completely integrated unit, bleached sulphate pulp being purchased from Champion Paper at Pasadena, near Houston. The sheet made contains 82% groundwood and 18% sulphate pulp, as contrasted with Canadian newsprint composed of 88% groundwood and 12% or even less sulphite pulp. When I was there the machine was running at 1,310 feet a minute, a rate comparing favorably with Canadian mills and far higher than had been thought possible when the plant was brought into production.

Newsprint paper made at Lufkin differs in many respects from that made from spruce by Canadian mills. It is greyer; has more "show-through," and is not as suitable for reproductions. Especially noticeable is the "feel." The Lufkin sheet is soft, lacking the brittleness of the Canadian newsprint. This is due to the short fibre in southern pine groundwood, the fibres being about a third as long as those in Canadian spruce. But as far as press room use is concerned, all reports indicate that the Lufkin sheet is standing up well.

Marketing Area Limited

Distribution of the Lufkin paper is confined to a relatively small area. Principal markets are in Oklahoma City, Dallas, Shreveport, and a number of small towns in northeast Texas, Oklahoma, Arkansas and Louisiana.

In so far as domestic sale is concerned, it is freely admitted that market area is governed by the freight differential on ceiling prices established by the Office of Price Administration. Thus in the area where the Lufkin mill is located, northern newsprint sells at the base price of $58 a ton, less $6, plus the freight charge where there is an all freight haul of more than $5. This places the minimum price in excess of $60 a ton. Publishers served by Lufkin are paying the standard price, though at the outset they sought a price concession because of the backing they gave to the project.

In the initial period of operations considerable manufacturing difficulties were experienced by Southland Paper Mills. The trouble arose over the large amount of pitch in the wood. This pitch found its way into the groundwood pulp and when put over the wire of the newsprint machine tended to coagulate in small balls which stuck to the wire. This resulted in holes in the paper and for a time caused considerable loss in production.

Eventually the company's chemists developed a method to overcome the pitch trouble. The process is being patented and precise details are not available for publication.

As already mentioned the company operates only a one-machine mill. This makes for high operating costs. The machine has to be closed down for a day at regular periods for repairs, etc., and once a year for a week in order to give time for necessary overhaul.

A second machine would appear to be logical in the development of Lufkin. It would make for greater operating economies, and the increased production undoubtedly would be welcomed by the publishers at this time when paper supply is short.

Enter Pulp Business

Rather than a second newsprint machine, Lufkin has just completed installation of a bleached sulphate pulp unit. Three digesters and supplementary equipment are in place. A pulp machine is set up. Operations are scheduled to be in full swing shortly.

The idea of another newsprint machine has not been overlooked. Recently E. L. Kurth, president of Southland Paper Mills, applied to the War Production Board for a priority to install a second newsprint machine at Lufkin.

Another machine would double the mill's output of newsprint, bringing capacity up to 120,000 tons annually. If the priority can be obtained, it is believed the second machine could be brought into operation by the end of this year.

This move is important, but the feature of the Lufkin development has to do with pulp rather than newsprint operations.

In the first place Lufkin originally contracted with Champion Paper for its bleached sulphate pulp supply. For the first year it is reported to have paid $38.25 a ton f.o.b. mill. Since then, deliveries are understood to have been at cost plus 15%. This is a very heavy item of expense in manufacture of newsprint paper. With its own plant, Lufkin hopes to substantially cut the cost of its chemical pulp.

Going Into Pulp Field

This is a perfectly normal move. The real significance is the intention ultimately to install 12 digesters with a capacity of 175 tons daily of sulphate. Of this quantity 50 tons or more will be bleached. This is more sulphate pulp than is required for balanced newsprint operations. The rest will be sold or may be further processed into brown or white kraft paper specialties as conditions dictate.

A combination newsprint-kraft paper and pulp mill would make for a stronger commercial enterprise than now exists.

The sulphate program further tends to confirm the opinion expressed by competent southern operators to me on several occasions that newsprint does not fit into the picture as neatly as kraft.

Lufkin, they said, has managed to make headway due to certain very favorable factors. First, its contract position enables the mill to operate at capacity. Secondly, it obtains gas supplies on highly advantageous terms. Thirdly, it is in a non-competitive area in respect to wood supplies which cost the company around $9 a cord compared with an industry average of between $11 and $12.

There does not appear to be any reason why the Lufkin mill should not expand as a newsprint producer, provided present favorable factors are extended.

Show Little Interest

Oddly enough a number of publishers in the southern States showed little interest in expansion of newsprint production at Lufkin. The attitude of one large publisher in the south was typical. He invested in Southland Paper Mills "as a token of goodwill toward a southern industry," had never used Lufkin paper, and was more interested in learning when Scandinavian newsprint again would be available in the American Gulf market.

This lack of interest by a shrewd and able publisher is not without relation to the views expressed by an executive of one of the largest and most efficient pulp and paper companies operating in the South. He told me his company had gone into the question of manufacturing newsprint most carefully and came to the conclusion that it was not a money-making proposition unless the U. S. Government placed a tariff on newsprint imports. "Do you think the American publishers would agree to that?" he asked.

Even those who strongly believe groundwood pulp, and in turn newsprint, has a place in the southern pulp and paper economy, are guarded in their views on further expansion.

Maximum Prospects Limited

When I asked as to the possible maximum expansion under the most favorable conditions now existing, the most optimistic forecast was that in time the south might supply all the newsprint requirements of those publishers south of the Mason and Dixon line.

This area represents a market about 400,000 tons annually or some six to seven times the present output of the Lufkin mill. It is not a closed preserve for Canadian mills, even before the Lufkin mill was built. In pre-war days a substantial tonnage of Scandinavian newsprint was sold in the area. The Canadian supply probably never amounted to more than 300,000 tons, or little more than 10% of all marketings in the United States.

Even if the southern newsprint industry were developed to "maximum capacity," it would still leave untouched the richest market in the States; the large metropolitan papers, all of which are located in the north—New York, Philadelphia, Boston, Detroit, Cleveland, Chicago, etc. These cities are in zones where Canadian newsprint sells at the basic port price of $58 a ton, or where the freight differential is small. Accordingly, I don't think that Canadian mills need yet be overly concerned about the possible further growth in the manufacture of newsprint from southern pine.

Next week in his final article on southern pine Mr. Langdon will discuss kraft and white paper production.

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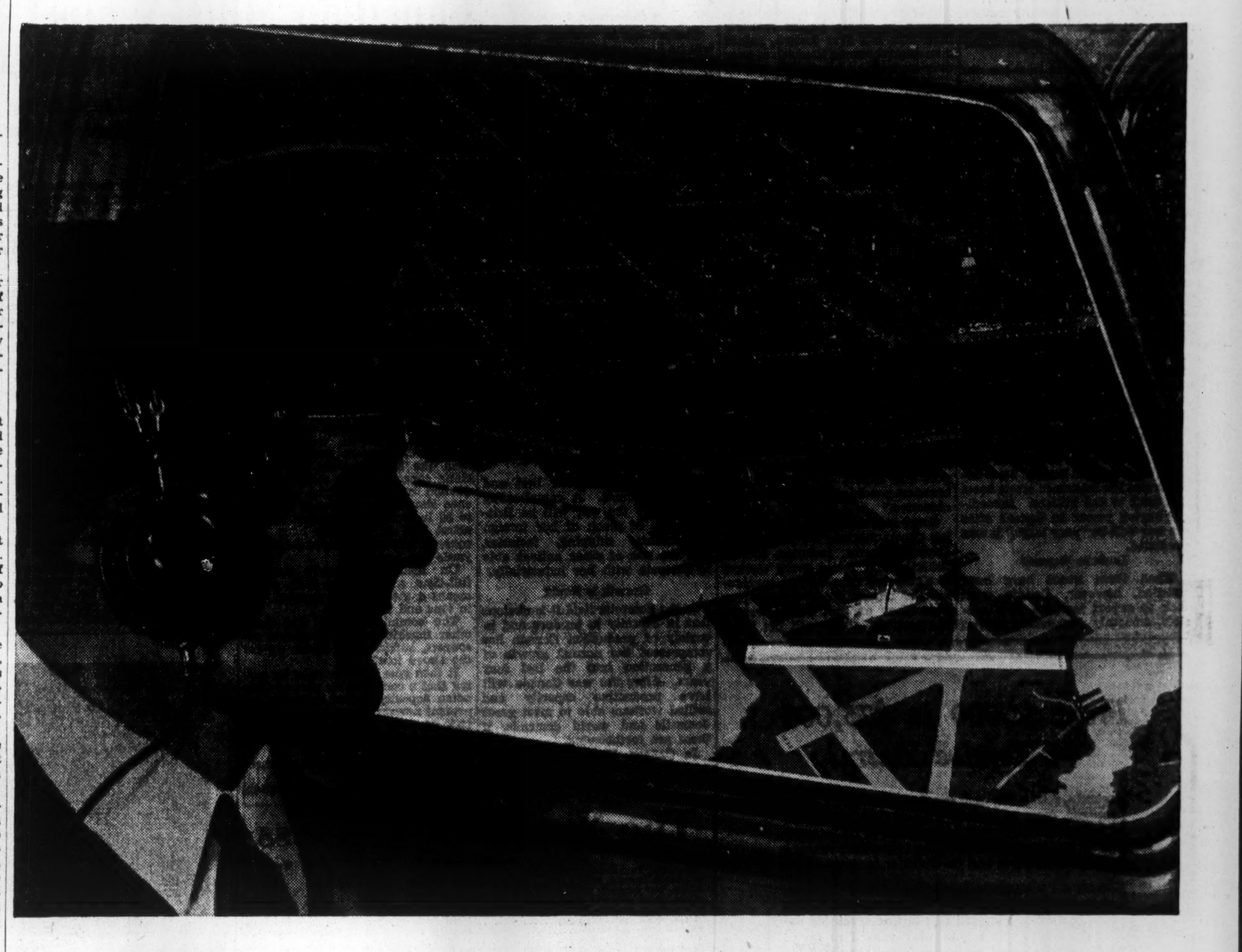

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* * *

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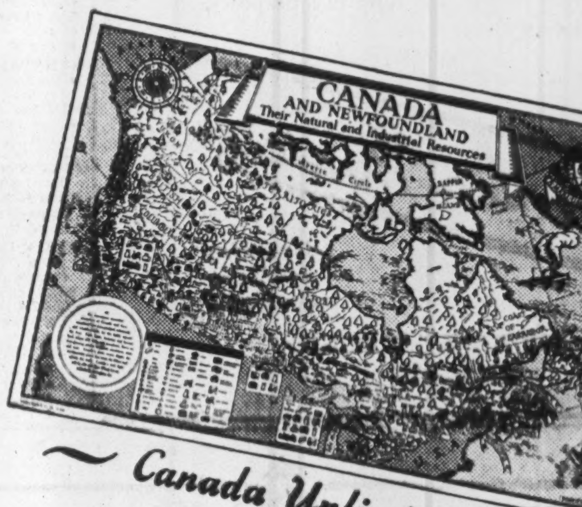
It is for them, for Canada, and for ourselves that we must buy and hold more and more War Savings Stamps and Certificates, more and more Victory Bonds.



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We Have Been Asked . . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INVESTMENTS

St. Maurice Power

Will you kindly let us have a report on the position of St. Maurice Power Corp. 5% second mortgage bonds? Do you think the company will be able to maintain interest payments after the war?

St. Maurice Power Corp. 5% second mortgage bonds rank immediately after the 4½% first mortgage bonds, as a senior charge against the property and earnings. On the basis of contractual arrangements between the company and Brown Corp. and the Shawinigan Water & Power Co. it was anticipated at the time of public financing in 1940 that by 1942 earnings of the company would be sufficient to cover interest charges without provision for depreciation, amortization of bond discount, expense, income taxes, etc. Due to heavy demands for power, the actual report for 1942 shows the company was not only able to earn its bond interest, but to report a surplus of nearly $100,000 after providing for taxes and a depreciation reserve of $301,000. While power sales of the company may be expected to drop off after the war, still it is believed the company will be able to maintain interest charges without difficulty.

Winnipeg Electric

As a subscriber to The Financial Post, we would like to have some information on the current position and prospects of Winnipeg Electric common stock.

Winnipeg Electric Co. provides electricity, gas and tramway services in the city of Winnipeg and surrounding district. Since the reorganization in 1935 the company has steadily improved its position. Earnings on the preferred have advanced from 78 cents a share in 1938 to $9.01 in 1942, while over the same period earnings on the common have increased from a deficit of 28 cents a share to a profit of 35 cents a share.

No dividends have been paid because of outstanding contingent certificates. Last September the company took steps to retire 50% of all the certificates then outstanding, reducing the total to $561,371. The preferred is non-cumulative and once the certificates are redeemed, the way will be open for the company to resume dividends on its capital stock.

One factor which should stand the company well in the postwar period is the fact that its operations have been less influenced by wartime conditions than has been the case with the utilities in Quebec and Ontario. The re-adjustment to a peacetime basis, therefore, should be effected readily.

Canadian Car

Could you give me some information re Canadian Car & Foundry Co. with regard to prospects of the common stock? I purchased some several years ago at a much higher price than the present quotation and yet despite boom years, capacity orders and everything favorable, it still pays no dividends.

Canadian Car & Foundry Co.'s aircraft division has sufficient orders on hand, provided there are no cancellations, to operate at capacity until well into 1945. The railway rolling stock division has sufficient business to keep it fully employed until toward the end of this year. Indications are, therefore, that revenues this year should be well maintained. Earnings available on the common stock over the last seven years have not been overly impressive, despite the record volume of business handled by the company. This is to be expected in view of the limitation of earnings imposed by income tax regulations. If you regard the company's progress in the light of dividends on the common stock, then there may be some reason for your disappointment. On the other hand, looking at the overall picture, there is little doubt but that considerable progress has been made. From 1938 to 1942 the net working capital increased from $1.5 millions to $6.5 millions, while the equity back of the common advanced from $29.95 to $42.01 a share. Further, as far as dividends on the common stock are concerned, it should not be forgotten that the company could not pay any dividends as long as there were arrears on the preferred. These arrears have since been liquidated under a plan which was accepted by the preferred shareholders. Consequently the company is now in a position, if it so desires, to initiate payments on the common stock.

Reco Mountain

I have recently been offered some debentures in Reco Mountain Base Metal Mines. Do you consider this a well-secured investment?

Reco Mountain Base Metal Mines, which took over the former Noble Five property at Cody, British Columbia, commenced production with a 150-ton mill on Sept. 3, 1943. Concentrates produced were to be marketed through the Metals Reserve Co. on a basis to provide $10.50 a ton, allowing for 85% extraction and mining of ore comparable to that estimated in reserve.

To provide funds for reaching production Gold Frontier Mines took up debentures on the basis of 12 shares of Reco plus $1 of debentures for $1 of cash placed in the Reco treasury.

We have yet to see an official financial statement showing what profit, if any, Reco is now earning. If the property should be standing up to preproduction estimates, it would appear that liquidation of the $100,000 of debentures would take place perhaps in two years. It is possible, of course, that some unknown factor might crop up to make production unprofitable. Because of this, the company's debentures are considered speculative in character.

Production is at present being marketed with United States Metals Reserve Co. It is important to remember that the demand for lead and zinc, the company's two chief products, is not so great now as a few months ago and it is possible that the company's metal contract may not be renewed when it expires. It is questionable whether or not the company could realize any profit on metal prices such as those being received for the bulk of Canada's output.

The company commenced production with approximately one year's ore stated to be in reserve.

O'Brien

What is O'Brien Gold Mines doing these days? Is there anything significant in the way of higher grade ore?

There has been little change in the position of O'Brien Gold Mines the last year. The company has not been as short of manpower as most gold mines and production has been relatively well maintained. Ore reserves were practically unchanged at Oct. 1, 1943, from the reserve figure of a year previous. Approximately 2½ years' ore is in the developed category.

Further shaft sinking is now being carried on and it is planned to open up four new levels. No high grade ore shoot has been opened up at depth comparable to the high-grade ore exposed on the upper levels some years ago.

INCOME TAX

Profits from Store

I am a retail merchant, and each year I have a small profit over my expenses and my own salary. Are these profits classed as capital gains or should they be treated as income?

The profits should be treated as income and are subject to income tax, the year in which earned. If turned into the business they then become capital.

Trades in Farms

I am a farmer, but in recent years have found it much more profitable to buy and sell land. I have bought several farms and improved them by draining them, drilling a well on them or in some other way. This has enabled me to make a substantial profit in some cases. I believe profits of this kind are considered capital gains. What do you think?

Normally profits of this kind would be considered capital gains. But if you are buying and selling land on a wide scale, the income tax authorities might consider that to be your main line of business. Accordingly you would be well advised to take up the whole matter with the inspector in your district who knows the local conditions and can best give a ruling.

Resident in U. S.

My son who is 27 and married has been living in the United States where he is employed and fully self supporting. He is, however still a Canadian citizen. He has certain funds of his own in Canada administered by myself. These funds are invested in Victory bonds. Is he liable for income tax on the interest in Canada or if he reported it to the United States would he be liable for income tax there? Would he also be liable for the Canadian withholding tax? His Canadian income is less than $600.

As he is now a resident of the United States he is not liable for Canadian income tax. He should report his Canadian income to the United States authorities. As it is derived from Victory bonds it is not subject to the withholding tax.

WPTB QUESTIONS

These questions have been asked of the Wartime Prices and Trade Board and the answers are furnished by officials of that Board.

Apartment Repairs

Kindly inform me whether the landlord or the tenant should pay for repairs on an electric stove in an apartment?

The repairs on the stove is a matter to be settled between the landlord and the tenant. Consult your lease. This may be included in the terms.

Weekend Prices

I eat my lunch downtown every day at the same restaurant. On Saturdays they always increase their prices much above the weekly ones. Can restaurants charge any price they like?

They certainly cannot. Restaurant prices are subject to the price ceiling. They must not charge more for the same food and service than was charged during the basic period Sept. 15 to Oct. 11, 1941.

Cancel Notice

I gave my tenants a year's notice to vacate as I wanted to live in the house myself. Circumstances have changed and I now want to turn the place into two separate apartments. The tenants say I cannot do this. Are they correct?

Yes, they are correct. You must cancel their notice. Then make application to your local Rentals Administrator for permission to give notice under these different circumstances. They will investigate the situation. If they decide that your house can be converted into a two-apartment building they will advise you as to the type of notice to be given to your tenants.

Last Year's Car

In a recent issue you gave an instance of selling a car in 1943 for more than was paid for it, with the profit being capital gain.

A friend of mine wanted to sell last year at the price paid, and the Wartime Prices and Trade Board fixed a price at an arbitrary depreciation. Though the price asked was readily obtainable, it was stated that no higher price than that fixed by the Board could be asked or paid.

Your item indicates selling at the markup buyers are prepared to pay and are paying is general, and the advice seems to be to sell and take the profit.

The enquiry to which you refer was on the question of the Income Tax on the gain in price that the individual selling the car might receive.

In spite of the ceiling price on automobiles, it is still possible to sell an automobile for more than one pays for it, if one buys it substantially below the ceiling.

Such profits are not taxable, and that was the only point raised in our enquiry and the response to it.

Our advice did not recommend that the seller dispose of his car at above the ceiling, and we have never advised that anyone should violate the regulations of the WPTB.

Rental Dates

I have rented a room. The tenant took it on the 10th of the month and paid a deposit but did not move in until the 20th. Should she pay rent from the 10th?

Yes, the 10th was the day on which she took over the room from you. Unless you made different arrangements with her she should commence paying the rental from that date.

"Premium Eggs"

Would you please explain what is meant by "premium eggs?" What is the weight of one dozen of these eggs? What is the price?

Premium eggs must be 24 oz. or over to the dozen. They are specially selected eggs and must be packed in cartons marked "premium eggs." They must not be sold loose as premium eggs. The maximum price is 4 cents a dozen higher than the price charged for grade "A" large. Maximum ceiling price is 62 cents per dozen in Toronto.

Toronto Industrial Group Goes After Foreign Business

Rising tide of interest in Canada among British and European manufacturers is being exploited by the Toronto Industrial Commission, the city's official go-getter of new manufacturing establishments. It is disclosed the Commission has $28,000 earmarked for a postwar promotional program which already has been launched.

View is that Toronto is assured further marked gain in development and employment, given satisfactory federal and international regulations for postwar trade.

These are among highlights of the Commission's 15th annual report.

Want War Buildings

In his address, appended to the report, John A. Tory, president, reveals that Ottawa has been asked for postwar release of some permanent buildings in the Toronto area erected for war purposes, these to be assigned locally for occupancy on a multiple-tenancy basis as a means of incubating new industries. Toronto is facing the greatest shortage in years of industrial space to rent, he states.

Of housing and the local shortage, Mr. Tory said the commission hoped every assistance would be given private enterprise to enable an adequate building program. He forecast new products and industries, hastened by wartime research, might soon bring additional plants and employment to the area.

Commission's Record

The 15-year-old Commission in 1943 secured or substantially assisted the establishment of six large industries contemplating a total investment over $2.7 millions. These were new industries for thermo-setting plastics and vegetable oil extraction, new plants for acids and biscuits, and manufacturing arrangements for a British cigarette maker and a Cincinnati pharmaceutical ointment manufacturer.

In 15 years the Commission has co-operated in 214 industrial developments — establishment of 183 firms and 31 manufacturing arrangements—involving in 1943 close to $20 millions in plant and equipment, 13,000 workers (79% of them of local origin) and about $16.8 in annual payroll. It is estimated these developments also represent indirect employment of another 13,000 workers through purchases by the companies and their employees. Taxes paid to the city by these firms in 1943 amounted to $51,582.

New Wartime Regulations

"Hard Furniture": WPTB Order No. A-1076, effective Feb. 1, fixes prices for what is known to the trade as "hard furniture" providing for a surcharge on kinds other than office, school, church, lodge, hospital and laboratory furniture, and radio cabinets. Admin. of Furniture and Brushes, Jas. E. Ferguson.

* * *

White Cedar Shingles: WPTB Order No. A-1095, effective Feb. 12, amends Section 2 of Order No. A-1009 with respect to maximum manufacturers' and wholesalers' prices for white cedar shingles in Ontario, Quebec, New Brunswick, Nova Scotia and Prince Edward Island. Timber Admin., A. H. Williamson.

* * *

Wooden Containers: WPTB Order No. A-1093, effective Feb. 14, fixes maximum manufacturers' prices for wooden boxes and shooks sold in each of five zones. Butter boxes or egg crates are not affected. Admin. of Wooden Containers and Woodenware, Arthur May.

* * *

Knitted Goods: WPTB Order No. A-1094, effective Mar. 1, revokes Order No. A-293, provides rules for the setting of maximum manufacturers' prices for knitted goods and for labelling and invoicing of such goods by wholesalers and retailers. Admin. of Knitted Goods, H. G. Smith.

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Summary of Affairs as at 31st December, 1943

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LT.-COL. W. E. PHILLIPS
MAJOR EDMUND SWEET, K.C.
COL. ERNEST WIGLE, K.C.
E. GORDON WILLS

General Managers
C. S. HAMILTON, Toronto, Ont.
H. A. HOWARD, Calgary, Alta.

SHAREHOLDERS' CAPITAL AND SURPLUS invested in:

Mortgages, Agreements For Sale	$ 493,869.01
Bonds, Stocks, Debentures	680,721.48
Loans on Stocks, Bonds, etc.	49,141.88
Real Estate Held For Sale	195,456.53
Advances to Estates	44,792.44
Other Assets	115,730.63
Cash	81,198.68
	$ 1,660,910.65

SAVINGS AND TERM DEPOSITS invested in the following earmarked securities:

Mortgages, Agreements For Sale	$ 5,187,305.28
Bonds, Stocks, Debentures	2,687,082.45
Loans on Bonds	93,813.74
Cash	470,557.22
	$ 8,438,758.69

ASSETS OF ESTATES, TRUSTS AND AGENCIES under administration by the Company	$40,006,402.15
TOTAL	$50,106,071.49

Copy of Annual Report Supplied on Request

OFFICES

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1-44

ONE OF CANADA'S OLDEST AND STRONGEST SAVINGS AND INVESTMENT INSTITUTIONS

SEVENTY-THIRD ANNUAL REPORT

THE ONTARIO LOAN AND DEBENTURE COMPANY

Presented at Annual Meeting Held February 9th, 1944

FINANCIAL STATEMENT

For the Year Ending December 31st, 1943

ASSETS

Cash on hand and in Banks		$ 415,496.25
Cash with and securities of Loan and Trust Companies of Canada		405,287.17
Government Bonds		5,171,701.00
Municipal Bonds		171,688.35
		6,164,172.77
Loans on Stocks and Bonds	$ 93,085.73	
Mortgages on Real Estate— Principal	11,154,572.28	
Real Estate Held for Sale	148,128.40	
Agreements for Sale	165,490.94	
Office Premises	100,000.00	11,661,277.35
		$17,825,450.12

LIABILITIES

To the Public:		
Deposits		$ 3,921,399.03
Debentures		9,262,763.66
Reserve for Income Tax		72,000.00
Other Liabilities		7,215.62
		$13,263,378.31
To the Shareholders:		
Capital	$2,000,000.00	
Reserve Fund	2,400,000.00	
Quarterly Dividend payable 3rd January, 1944	50,000.00	
Balance carried forward	112,071.81	4,562,071.81
		$17,825,450.12

PROFIT AND LOSS ACCOUNT

Provision made for Dominion Income Tax for 1943 ($68,000.00 of this amount was paid in 1943)	$140,000.00
Transferred to Benefit Fund for Employees	10,000.00
Usual Dividends paid	200,000.00
Balance carried forward to 1944	112,071.81
	$462,071.81

Balance brought forward from previous year	$111,349.19
Net earnings for the year ended 31st December, 1943, after payment of Interest on Deposits and Debentures, Expenses and Charges, all known losses having been met	350,722.62
	$462,071.81

Net earnings for the year $350,722.62.

All Dominion Income Tax has been paid to the end of 1942 and full provision ($140,000) made from 1943 earnings for the Income Tax on 1943 income.

The Company purchased and holds $1,478,000 of the two Victory Loan issues of the year.

Reserve Fund of $2,400,000 exceeds by 20% the amount of the paid in Capital, $2,000,000.

Savings Deposits increased by $412,306 notwithstanding heavy withdrawals by depositors to purchase bonds of the two Victory Loans during the year.

Cash and liquid securities amount to over 150% of deposits.

Currency Debentures increased by $406,718.

Real Estate Held for Sale reduced to $148,128.40, the lowest figure for many years.

Payments on Mortgages were again exceedingly well met.

BOARD OF DIRECTORS

ARCHIBALD McPHERSON, President — THOMAS H. MAIN, Vice-President
J. McCLARY GUNN — O. ROY MOORE — JAMES B. ORR — J. EDGAR JEFFERY

Manager: Thomas H. Main — Assistant Manager: Joseph P. Dewan — Accountant: F. Earl A. McKellar

Auditors: A. G. Calder, F.C.A. — George S. Jewell, C.A. — Solicitors: Jeffery & Jeffery

At the annual meeting of shareholders held at London, Ontario, on the 9th February, 1944, the Seventy-Third Annual Report as above was adopted. The Directors were re-elected and the Auditors re-appointed. At a subsequent meeting of the Directors, Mr. Archibald McPherson was re-elected President and Mr. T. H. Main, Vice-President of the Company.

OFFICES: DUNDAS ST. AT MARKET LANE, LONDON, ONTARIO

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IN PREMIUM RATES

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Specializing solely in the underwriting of sickness and accident protection for over thirty years we feel confident that we are in position to render a first class service to employer and employee alike.

Over $120,000,000 in benefits have already been paid.

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A strong progressive fraternal society which since 1874 has served the homes of the land.

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ASSETS OVER $45,000,000

VICTOR MORIN, LL.D., Supreme Chief Ranger

Head Office: - - Toronto, Canada

A Year of Service

To 25,000 Canadians and their Families

The Annual Report of The Northern Life Assurance Company of Canada reveals that 1943 was a year of service to the Company's 25,000 policyholders and their families.

THE COMPANY reports as follows:

During 1943, the Northern Life was of great service by paying many hundreds of thousands of dollars to widows and orphans of Canadians both in Canada and on service overseas.

During 1943, the Northern Life set aside more funds to further strengthen its position, so that it can meet all obligations and any extraordinary contingencies that may be caused by the war.

During 1943, the Northern Life experienced excellent conservation of business and a very satisfactory increase in business in force.

During 1943, the Field Force of the Northern Life, depleted as it was by enlistments and transfers to war industries, maintained a high standard of service to its policyholders. This was reflected by the substantial number of policies purchased by people who were already policyholders.

During 1943, the Northern Life was of service to the people of Canada by investing in Victory Bonds more than the entire premium income of the Company.

During 1943, the Northern Life had very favourable mortality, although war claims were heavier.

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Northern Life
Assurance Company of Canada

Established 1897 — Home Office: London, Canada
R. G. IVEY, K.C., President — G. W. GEDDES, General Manager

Insurance Built on Co-operation

Life Company Presidents Stress Services Given

The co-operative nature of life insurance, government supervision of the business and the services rendered to policyholders by the companies were among the points stressed by life insurance executives at annual meetings held last week. Extracts from presidential addresses follow:

FORD S. KUMPF, president, Dominion Life Assurance Co.

The life insurance companies have built an institution on the principles of co-operative effort that is a living monument to free and responsible enterprise in partnership with conscientious governmental supervision. There is no business today which is subject to more stringent scrutiny by non-political federal supervisors than the business of life insurance. . . . Anything less monopolistic can hardly be visualized, since the present liberal policy provisions are the direct result of competition of individual companies in securing new policyholders and maintaining the good will of existing ones. The proposal to socialize these companies by creating a national monopoly of life insurance would be a retrograde step as vicious as any economic fallacy ever conceived in any country dominated by a Fascist ideology.

CHARLES P. FELL, president and chairman of the board, Empire Life Insurance Co.

I suggest to you that mere "Social Insurance," of the minimum dole or pension variety, can never take the place of our present insurance system, whereby a man can make really adequate provision for his dependents, or for the evening of his own life. What these so-called economists propose to do is to eliminate altogether the life insurance savings system of the Canadian people—to destroy the security of the people while promising to provide what they vaguely describe as "social security."

Recognizing that for some millions of Canadians their holdings of life insurance represents their sole protection for the twilight of life, and their only expectation of leaving an estate to those who follow them, I believe it behooves every policyholder in Canada to realize the menace underlying the speciously-comfortable promises of social planning.

* * *

M. J. SMITH, president and general manager, Equitable Life Insurance Co. of Canada.

The first feature of this (life insurance) program is the regularity and definiteness of the savings method it establishes. The second feature is the unique fact that the program is not defeated by death—it pays out in full when it is needed most. The third feature is that the program will pay a lifetime income. The fourth feature is the safety of life insurance, arising from its scientific basis, long established governmental supervision and conservative management and operation.

* * *

R. G. IVEY, president, Northern Life Assurance Co. of Canada.

The agency force of the company during the year maintained a very high standard of service to the policyholders in spite of increased difficulties. . . I do not believe enough credit is given to life insurance men who day after day are doing for Canadians a job of profound social significance. . . .

* * *

SANFORD W. EVANS, president, Sovereign Life Assurance Co.

Among the features of this institution—(life insurance)—which have impressed me and which I think should be in the consideration, I would mention its consistent expansion and present magnitude. These are proof that it meets a real human need. Not even the most intelligent promotion and salesmanship can produce the results achieved over many generations and in many countries unless the thing dealt in was a satisfaction of a fundamental need.

Insurance Company Reports

Dominion Life

Business in force up $16.8 millions.
Business issued up to $28.4 millions.
Free surplus increased $184,405.

Life insurance in force with the Dominion Life Assurance Co. at the end of 1943 totalled $228.1 millions according to the annual report just issued. The gain in business in force, Ford S. Kumpf, president, stated, at the annual meeting, was due partly to full employment but also to stressing high quality production and training the entire organization to conserve existing business.

Mortality experience in 1943, was considerably better than in the preceding year but reserves are established against the possibility of higher war casualties.

Total assets during the year increased $4.4 millions. Of the total of $56.9 millions, $34 millions is in bonds.

Comparative figures follow.

	1943 $	1942 $
Business in force ...	228,107,063	211,286,275
Business issued ...	28,373,437	26,656,201
Total receipts	9,924,824	8,883,973
Premiums	6,261,965	5,530,838
Inv. income	2,292,031	2,136,416
Policy payments ...	3,200,831	3,247,891
Death claims	1,202,573	1,182,112
Endorsements	508,661	407,682
Surrenders	714,676	897,215
Pol. divds	544,002	528,259
Assets	56,963,513	52,538,411
Bonds & debs. ...	34,072,773	27,914,104
Mortgages	14,885,387	15,313,097
Stocks	1,221,042	1,690,720
Pol. reserves	46,324,022	43,121,291
Free surplus	2,000,399	1,815,994

La Laurentienne

Business in force up to $14 millions.
Assets increased by 58.4%.
Interest earnings rate higher.

An increase of $3.7 millions in business in force is shown by La Laurentienne Life Assurance Co., in its annual report for the year ended Dec. 31, 1943. New business issued was up almost $300,000.

Total income for the year was $128,000 higher at $348,589 while policy reserves rose $164,000 to $392,829.

Important items from the statement follow.

	1943 $	1942 $
Business in force ...	14,042,665	10,318,007
Business issued ...	4,277,582	3,982,318
Total income	348,589	220,060
Total assets	723,288	456,284
Policy reserves	392,829	228,505
Interest earned net .	3.6%	3.08%

Maritime Life

Business in force up $2.3 millions.
Business issued up $367,788.
Assets reach $4.5 millions.

Business in force with the Maritime Life Assurance Co. on Dec. 31, 1943 totalled $23.5 millions, representing 9,959 policies or 1,015 more than at the end of the previous year, the annual report for 1943 reveals.

During the year, the company paid out in death and total disability benefits $112,257, while matured endowments took $36,275. Mortality experience in 1943 was lighter than in 1942. Total payments to policyholders since the company began business now total over $1.9 millions.

Reserves at $3.8 millions were up 11.1% from the previous year, while total assets rose 11%. Of total assets, over $1 million is invested in bonds of Canada, British war loans, and other British Dominions. Including investments in bonds of provincial governments and Canadian municipalities the total of such investments is over $2 millions.

The rate of interest earned on invested assets at 4.52% is slightly lower than that earned the previous year.

Comparative figures follow:

	1943 $	1942 $
Business in force ...	$23,540,105	$21,230,259
Business issued	3,431,641	3,063,853
Total income	738,851	667,760
Premiums (net) ..	522,038	454,277
Int. income	174,931	162,765
Policy payments ...	192,609	161,539
Death & dis.	112,257	94,603
Endowments	36,275	34,208
Surrenders	36,433	25,019
Assets	4,514,711	4,092,853
Securities	3,863,052	3,351,399
Mortgages	150,155	227,626
Pol. loans	218,224	230,372
Interest earned	4.52%	4.62%
Shareholders divids.	7,500	7,500

Empire Life

Insurance in force up $3.4 millions.
Business issued over $6 millions.
Free surplus increases.

Business in force with the Empire Life Insurance Co. now totals over $47.8 millions, after giving effect to new contracts of over $6 millions during the year. The figures include deferred annuities. Other annuity contracts in force provide for annual payments of $13,719.

Total receipts during the year rose $151,000, both premium and interest income being higher.

Policy payments during the year totalled $744,750. Including amounts left with company withdrawn, and payments on supplementary accounts the total was $773,569 the largest sum over disbursed in benefits in a single year.

Total assets are now $11.9 millions with bonds and debentures forming 69% of the total and policy loans 6% after a decline of about $78,000 during the year.

Comparative items from the report follow:

	1943 $	1942 $
Business in force ..	47,826,918	44,452,636
Business issued	6,036,205	6,314,812
Total income	1,827,772	1,676,642
Premiums	1,254,737	1,167,610
Int. divids., etc. ..	487,667	459,439
Policy payments ...	744,750	740,038
Assets	11,992,607	11,172,135
Bonds & debs. ...	8,072,336	7,388,415
Mortgages	1,293,192	1,320,625
Stocks	1,173,860	885,293
Pol. loans	748,976	827,537
Pol. reserves	10,494,057	10,001,037
Free surplus	500,794	330,005

Northern Life

Business in force up $4.5 millions.
Business issued reaches $7.9 millions.
Expenses sharply lowered.

Business in force with the Northern Life Assurance Co. at Dec. 31, 1943 at $62.7 millions showed the largest gain since 1929. Low terminations were an important factor in bringing about this result.

Expenses dropped to new low levels during the year, part of which, the report states, was due to war restrictions which prevented certain expenditures being made. These will have to be made later on when restrictions are removed.

Civilian mortality was quite satisfactory but some severe losses were suffered from policyholders who were members of the three armed services. Of 47 policyholders dying from war service, more than half had bought their insurance before the war started and, therefore, the full amount of the policies was payable. The remaining policies contained the standard war clause.

Comparative items follow.

	1943 $	1942 $
Business in force ..	62,724,550	58,194,293
Business issued	7,998,924	7,473,502
Total income	2,311,976	2,200,657
Premiums	1,527,419	1,440,897
Int. & divds.	569,054	566,584
Policy payments ...	933,106	977,971
Death claims	381,220	303,044
Endowments	86,654	59,174
Surrenders	160,849	218,338
Pol. dividends	142,788	154,108
Assets	13,860,813	12,944,495
Bonds & debs. ...	7,493,209	6,006,622
Mortgages	3,837,155	4,145,582
Pol. loans	1,333,612	1,451,827
Stocks	505,276	634,187
Pol. reserves	11,598,391	10,849,679

Sovereign Life

Business in force up to $46.6 millions.
New business up $1 million.
Assets increase by $875,713.

Business in force with the Sovereign Life Assurance Co. of Canada at the end of 1943 was almost $5 millions higher than at the end of the previous year, according to the annual report submitted at the meeting in Winnipeg. New business issued was over $8.2 millions.

The company's assets on Dec. 31 were $875,713 higher than the year before. Subscriptions to Victory Loans in 1943 were $1.1 million. Payments on policy contracts in 1943 were $522,999 of which $167,725 was for death and disability claims about $20,400 less than in the previous year.

Value of policies surrendered was about 16% lower.

Important items in the report with comparisons follow:

	1943 $	1942 $
Business in force ...	46,658,000	41,708,922
Business issued	8,277,630	7,232,448
Total cash income ..	2,045,714	1,757,460
Prems., etc.	1,277,893	1,145,412
Inv. income	564,385	420,647
Policy payments ...	522,999	536,919
Death and dis. ...	167,725	188,142
Divds. & annuities	96,046	97,769
Surrenders	142,925	170,001
Endowments	116,303	81,008
Assets	10,193,673	9,318,960
Bonds & debs.	5,546,083	4,510,144
Mortgages	1,148,142	1,318,239
Stocks	1,462,576	1,354,349
Pol. loans	610,165	688,802
Pol. reserves	8,539,515	7,850,443
Free surplus	193,990	136,572
Interest earned	5.757%	5.141%

Fidelity Life

Business in force increases.
Business issued rises $216,000.
Assets over $2.2 millions.

An increase of $853,285 in business in force is shown by the Fidelity Life Assurance Co. in its annual report for the year ended Dec. 31, 1943. New insurance issued during the year was almost $1.6 millions. Total receipts showed an increase of about $70,000 while policy payments were lower. The decrease is attributed to fewer policyholders surrendering their policies, reflecting their generally improved economic condition.

Mortality experienced during the year showed a further increase over the previous year with death and disability claims rising accordingly.

Among the assets, investments in Dominion of Canada and Victory loans are 45.94% of the total.

Important items in the report with comparisons follow:

	1943 $	1942 $
Business in force	9,937,716	9,084,431
Business issued	1,585,976	1,369,481
Total receipts	387,167	316,572
Premiums	257,129	226,622
Interest	112,757	76,906
Policy payments	117,590	127,983
Assets	2,200,790	2,049,416
Bonds & debs.	1,187,758	855,186
Stocks	18,418	......
Mortgages	386,542	474,077
Pol. loans	258,042	304,537
Pol. reserves	1,684,421	1,569,970
P'holders' surplus ...	71,683	42,142

Dominion Appraisal Company Limited

The Authority on Physical Values in Canada from Coast to Coast.

Equipped to carry out work of any magnitude within a reasonable space of time.

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Under 50% Motor Cars In Ontario Insured

Demand for Revision of Safety and Financial Responsibility Law Stems From Lack of Protection for Innocent Victim of Accident

In various quarters, agitation for revision of safety and financial responsibility laws affecting motorists in the various Canadian provinces appears to be gaining strength. This is largely due to the fact that many motorists, responsible for a highway accident, are financially unable to compensate the victim themselves and do not carry any insurance for the purpose.

At present all provinces, except Quebec, have financial responsibility laws. Feeling is growing, though, that these don't go far enough; that the time has come to put teeth in them.

Ontario Statistics

Taking Ontario as a representative province, statistics compiled by A. H. Rowan, statistician of the accident recording division of the provincial Department of Highways, shows that out of 691,294 vehicles of all kinds licensed in the province from Jan. 1 to Nov. 30, 1943, a total of 342,824, or less than 50% were insured against public liability and property damage. Of 585,928 passenger cars, 297,581 carried such insurance, while of 95,980 commercial vehicles, exclusive of buses, two-purpose vehicles and motor cycles, 45,243 were insured.

Figures in detail are as follows:

Registered Vehicles and Drivers
1942-1943 (to Dec. 1)

Vehicles licensed	1943	1942
Passenger	585,928	611,871
Commercial	95,980	94,307
Buses	1,605	1,518
Two-purpose	1,446	1,543
Motorcycles	6,335	6,101
Total	691,294	715,340
Trailers	48,410	48,790
Drivers licensed		
Operators	628,412	663,179
Chauffeurs	287,518	296,751
Total	915,930	959,930
Instruction permits ..	69,551	76,244

Vehicles insured for public liability and property damage as estimated by the Canadian Underwriters Association in Feb. 15, 1944, were estimated at 297,581 passenger cars and 45,243 commercial vehicles.

The number of licensed drivers in 1943 was 915,930, the larger number of licenses, of course, including non-owner drivers.

More Fatalities

Under gasoline rationing tendency has been for the number of accidents to decrease, although in 1943 more people were fatally injured than in 1942. There were, however, fewer people non-fatally injured. Unit cost of property damage per accident in the two years was about the same.

Statistics

The figures of accidents follow:

Motor Vehicle Traffic Accidents
January to November

Accidents	1943	1942
Fatal	461	448
Personal injury	5,832	6,927
Property damage only	3,620	4,669
Total	9,913	12,044
Persons injured		
Fatally	503	500
Non-fatally	7,891	9,229
Property damage reported	1,489,449	1,807,415
Total suspensions ...	5,087	6,754

In a survey recently made of the accident situation in the province it was found that 95% of accidents in a representative year was to vehicles apparently in good condition travelling in a straight direction. Of accidents on city streets, 22% occurred between intersections and 24% on straight stretches. Minister of Highways George Doucet recently stated too great a proportion of traffic accidents is due to lack of care and consideration. He indicated some improvement in present laws was desirable, but the form of such legislation would depend on further study.

National Security Insurance Company

NOTICE is hereby given that the National Security Insurance Company has received Certificate of Registry No. C931 authorizing it to transact in Canada business of Water Damage Insurance, limited to the insurance of the same property as is insured under the policy of Fire Insurance of the company, in addition to the classes for which it is already registered.

H. C. MILLS,
Chief Agent for Canada.

Canada Wire & Cable President Resigns

Herbert Horsfall, for several years president and managing director of Canada Wire and Cable Co., has resigned for reasons of ill health, it is announced. Mr. Horsfall becomes chairman of the board. He is succeeded as president by James Y. Murdoch, president of Noranda Mines, which company acquired control of Canada Wire and Cable in 1943.

It is announced also that J. R. Bradfield, a director, has been made a vice-president, and that W. C. Bennett, president of Phelps Dodge Refining Corp., of New York, has been elected a director.

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EMPIRE LIFE
Record of Progress
in 1943

AT the conclusion of another year of war-time conditions, the Company's continued progress and financial stability reflect the discharge of its obligations in the administration of trust funds on behalf of an increasing body of individual policyholders who are safeguarding their future through life insurance policies with the Empire Life. The sound financial position summarized below shows that the Company has attained the strongest financial position in its history for the protection of policyholders.

Paid to Policyholders and Beneficiaries in 1943 - - -	$ 773,569
Total Assets - - - - - - -	11,992,607
Reserves to cover Policy Obligations - - - - - -	10,494,057
Additional reserves for protection of Policyholders, represented by Surplus and Capital Funds -	1,107,853
Total Insurance in Force - -	47,826,918

— Security and Service —

CHARLES P. FELL, President — L. T. BOYD, General Manager

EMPIRE LIFE
INSURANCE COMPANY
KINGSTON ONTARIO

ENGINEERING SERVICES
as applied to
INSURANCE
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2. It enables us to fit your policies to the risk and not the risk to the policies.

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Insurance Brokers for 40 years
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TRUSTEES TO OVER 70,000 POLICYHOLDERS

We Record Another Year of Progress

The Dominion Life's record in 1943 reveals an increasing public confidence in the soundness and value of Life Insurance, as it is operative under our present system of free enterprise. Over 70,000 Policyholders are not only joined together with us in Co-operative Risk-Sharing, but their Savings are helping to finance the War Effort and check the threat of Inflation. Policyholders' Savings are invested by the Company in War Bonds to the extent of nearly 16 Million Dollars.

Today, through the competitive effort of our Agency Force, our Policyholders are joined together for their mutual protection. Their aggregate Savings, held in trust and invested in their interest by the Company, have created more than 228 millions of Life Insurance Protection. These millions of social security dollars are guaranteed by the Company's Trust Fund of Assets and Reserves.

A copy of our Annual Report may be obtained at any of our Branch Offices.

STANDING OF THE COMPANY AT THE END OF 1943

BUSINESS IN FORCE - - -	$228,107,063
NEW BUSINESS PLACED - - -	$ 28,373,437
PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES - -	$ 3,200,831
TOTAL ASSETS - - - - -	$ 56,963,513

Branches in all principal Canadian cities.

The Dominion Life ASSURANCE COMPANY
Since 1889
HEAD OFFICE: WATERLOO, ONTARIO

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PLAN AHEAD

The government of Canada has announced plans to finance much of the war expenditure out of current revenue. War taxes of various sorts are being imposed. To meet them the first step is to save systematically. Open an account with this Corporation and be ready when the government calls.

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Money Volume Up $909 Millions

Bank of Canada Surplus Up Sharply

Including deposits in the chartered banks the volume of money in Canada in 1943 expanded by $909 millions, according to Graham F. Towers in his report as governor of the Bank of Canada to the Minister of Finance.

Chief factors in the expansion he indicated were a rise of $748 millions in total deposits in the chartered banks and an increase of $161 millions in the active note circulation. Active note circulation is computed by taking the total circulation of the Bank of Canada, adding to it the circulation of the chartered banks and deducting the Bank of Canada notes held in the tills of the chartered banks and which are therefore not in the hands of the public.

Due to Government Financing

The credit expansion evident, Mr. Towers indicated, was due entirely to government financing. As the Government sold bonds, deposits in the chartered banks increased and the increase in deposits made it necessary in turn for the banks to increase their cash reserves to maintain the proper ration of cash to deposits. The public also, meanwhile was using more cash.

The Bank of Canada note issue at the end of the year, Mr. Towers noted, was $874.4 millions or about $180.7 millions higher than the year before. The general public held $751.5 millions, of the total outstanding, and the chartered banks the remaining $122.9 millions.

Five Year Record

The amount of Bank of Canada and chartered bank notes in public hands at the end of 1943-1942 and of 1939 he showed as follows:

(Millions of Dollars)

December 31:	1939	1942	1943
Bk. of Can. notes	162.2	572.5	751.5
Ch. bank notes	84.6	60.3	42.2
	246.8	632.8	793.7

Explaining the rise shown in active note circulation, Mr. Towers stated it was due to: the increase in incomes arising out of war industry, the large rise in farm incomes, and the growth of the armed services. In addition he stated many people have been working at times and in places which made it inconvenient to use branch banking facilities and therefore have carried more currency than usual. Moreover, he said, some people receiving higher incomes during recent years were not previously bank depositors and often have kept their savings in bank notes. In addition, he noted, some may prefer to accumulate cash rather than put their savings into the bank or securities. Over the past year, he declared, the increase in active note circulation has been somewhat less than in 1942 on both the absolute and the percentage comparison. This was to be expected, he said, because the rate of increase in incomes slowed down as the country approached a position of virtually full employment.

Investments

The bank's investments during the year rose by $243.9 millions. The purchases of securities involved were due to need of increasing the cash reserves of the chartered banks. As the Bank of Canada bought bonds, especially from the chartered banks, it put more cash at their disposal either as deposits with the Bank of Canada or in Bank of Canada notes.

Surplus Almost Doubled

The bank's profit from operation was substantially higher during the year at $15.9 millions compared with a little over $9 millions in 1942. The usual dividend of $225,000 was paid on the bank's stock held by the Minister of Finance and after adding one tenth of the balance to the rest fund, in accordance with the Bank of Canada Act, the remainder, $14.1 millions was paid to the Government. The higher profits he attributed as mainly due to higher investments.

Bank Rate Cut

Mr. Towers also referred to the reduction in the Bank of Canada rate from 2½% to 1½% announced last week as designed to aid reconstruction after the war by assuring industry of easy money, stabilizing the interest rate situation and removing obstacles in the way of investment of capital and simplifying the task of government financing.

Looking back over the years since the Bank of Canada began to function, its advances to the chartered banks have been few and for most cases of small amounts. It is accordingly looking more to the post-war period and the maintenance of easy money conditions then that the reduction has been made.

Important items from the bank's statement follow:

	Dec. 1943 $	Dec. 1942 $
Total assets	1,308,254,678	1,048,211,214
Ster. & U.S. dols.	558,336	499,191
Govt. securities .	1,260,375,252	1,016,400,722
Other assets	47,321,089	31,311,248
Rest fund	8,041,600	6,472,953
Note circ.	874,395,312	693,617,931
Dom. Govt. dep..	34,594,240	59,617,502
Ch. bank dep. ..	340,195,780	259,939,055
Net profits	15,911,479	9,097,478
Div. to fin. dept.	225,000	225,000
Pd. Dom. Govt. .	14,117,830	7,985,230

Bank of Canada Assets Lower

Holdings of Short Term Bonds Down — Note Circulation Up Slightly

Total assets of the Bank of Canada show a decline of $6 millions in the statement for the week ended Feb. 9. The decline was in short-term investments, other investments being slightly higher.

On the liability side, note circulation again was higher following the normal seasonal trend. Deposits and miscellaneous assets were down slightly.

	Feb. 9 1944 $	Feb. 2 1944 $
Capital paid-up .	5,000,000	5,000,000
Notes in circ.	863,601,040	862,242,722
Rest fund	6,472,953	6,472,953
Deposits: Dom. ..	40,122,485	26,902,418
Chartered bks..	338,434,910	352,307,111
Other	19,760,665	22,789,791
Total deposits ...	398,318,060	401,999,320
All other liabs. ..	21,246,917	24,606,395
Total liabs.	1,294,638,970	1,300,321,390
Assets		
In Sterl. & U.S. ..	436,382	436,382
Subsid. coin	516,493	519,684
Investments:		
Dom. gov. sh. ..	791,912,338	798,219,657
Oth. Dom. gov.	486,482,601	485,545,178
Total invest.	1,278,394,939	1,283,764,835
Premises	1,970,102	1,968,729
All other assets .	13,321,054	13,631,760
Total assets	1,294,638,970	1,300,321,390

Edmonton Steals Show In Western Building

Western Canada building in six key cities during 1943 did not quite reach the 1942 level, as measured by value of building permits issued by the municipal authorities . . . Winnipeg, Regina, Saskatoon, Calgary, Edmonton and Vancouver. Total for the six is given by Sanford-Evans statistical service as $16.1 millions, against 16.7 millions in 1942.

Edmonton, which had been second only to Vancouver 1942 volume of building in western cities, overtook the coast city last year with a thumping $6.7 millions ($3.3 millions the year before) against Vancouver's $4.6 millions ($5.7 millions in 1942). Calgary dropped to $1.9 millions from $3.3 millions in 1942 and Winnipeg to $1.9 millions from $2.9 millions in 1942. Saskatoon's humbler $383,000 compares with that city's $199,000 for the year 1942 while Regina dropped to $740,000 from $755,000 in 1942.

Making Big Cruise In Thunder Bay Area

Paul D. Gardner of the James W. Sewall, Consulting Forestry Office of Old Town, Maine and Port Arthur, Ontario, has been at Port Arthur and is now taking charge of an extensive timber and pulpwood cruise in the Thunder Bay District of Ontario.

Dominion Costs Up $806 Millions

Total Dominion Government expenditures reached $4,161 millions in the ten-month period April 1, 1943 to Jan. 31, 1944, as compared with $3,292 millions in the period April 1, 1942 to Jan. 31, 1943. Most of the $806 millions difference is accounted for by an increase in war expenditures which totalled $3,039 millions as compared with $1,825 millions. Revenue rose from $1,847 millions to $2,242 millions, the chief increases being in income and excess profits taxes, which yielded an additional $210 millions.

Mercury Mills announces appointment of Hugh Mockler, formerly sales manager, as general sales and merchandising manager. Austin Carter, formerly divisional merchandising manager for Hudson's Bay Co., Vancouver, becomes new sales manager.

Banking Service

1817-1943

BANK of NEW SOUTH WALES

Head Office: Sydney, Australia

General Manager: SIR ALFRED DAVIDSON, K.B.E.

Assets of £164 millions. Branches throughout Australia, New Zealand & Pacific Islands.

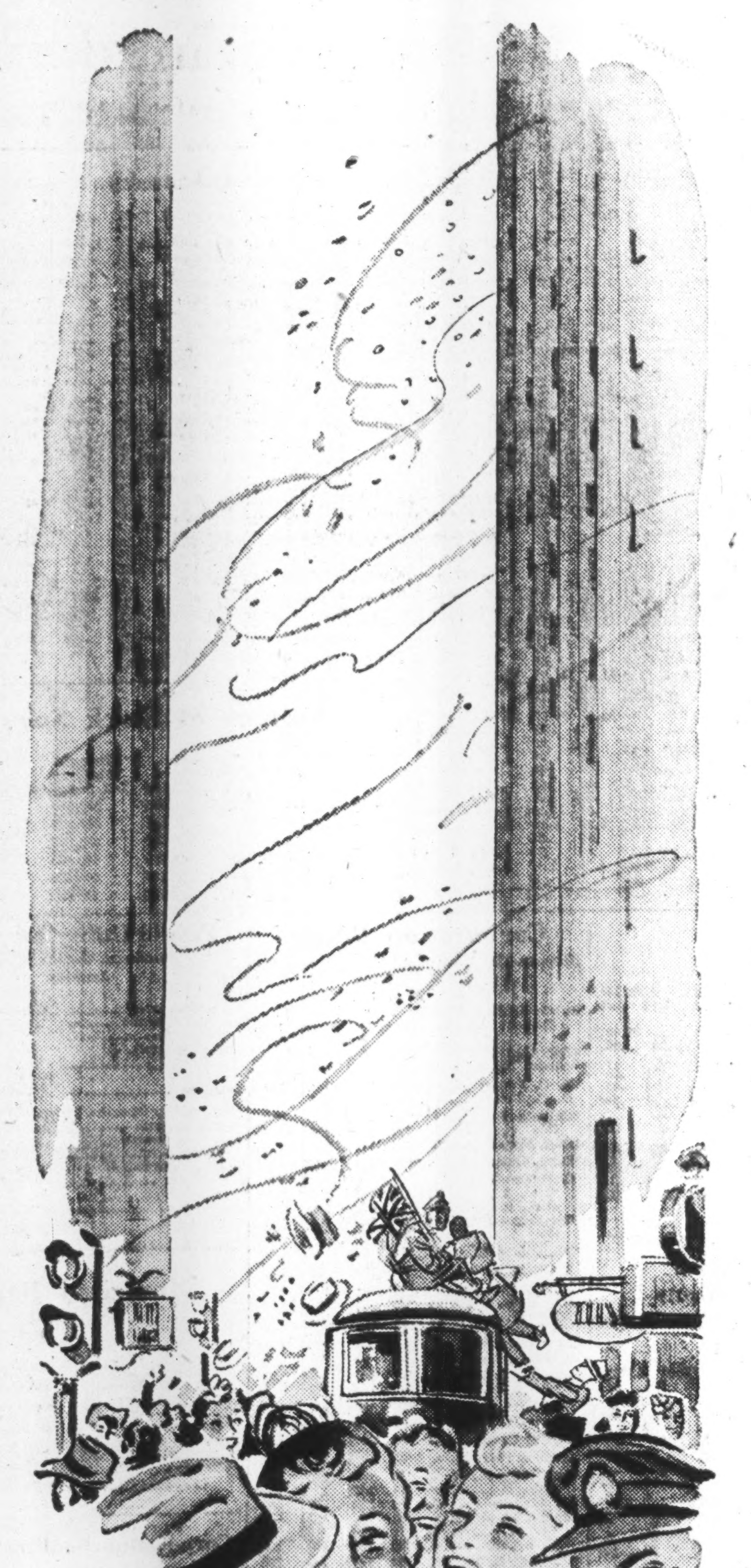
London Offices at 29 Threadneedle St., E.C.2. and 47 Berkeley Square, W.1.

Agency arrangements with Banks throughout the World.

Primary Cotton Mills Operations Maintained

Operations in the primary cotton textile mills, judged by number of bales of cotton opened, continued at the level set in the last half of 1942, but below that of 1942 and 1941. Last month 34,677 bales were opened; compared with 35,083 bales in Jan., 1943; 42,211 in 1942 and 38,358 in 1941.

Plunging the country into peace



ALMOST before the "Cease Fire" has stopped echoing... almost before the last drift of cannon smoke has vanished down the wind—the opening shots of a new and even greater battle will be ringing in our ears. This country of ours will be plunged with bewildering suddenness into the vast, critical but inspiring *First Battle of the Peace!*

Make no mistake about it, there will be nothing "phony" about this battle. Its front line will run through every home and factory, through every office and store in the Dominion. It will be a battle for the re-employment in civilian life of more than half a million soldiers, sailors and airmen. It will be a battle for the re-employment on peace production of hundreds of thousands of workers now occupied in war plants. It will be a formidable battle and a fateful one—and *you* can help to win it.

You can help by setting your sights *now* on the kind of Canada you want to see after this war. You can help by figuring out the kind of home, the kind of town, the kind of country you want to live in when Victory is won. You can help by *planning*—for the future needs of your home, your business, your farm. You can help *by making ready to make work as soon as peace is here.*

Think for a moment of all that will need doing. The refurnishing and refurbishing that will be required in every dwelling in the land. The changes, the improvements, the new equipment that will be needed by every factory and office and store. The new transportation that will be required—the new automobiles, street cars, buses, trains. The new trucks and tractors . . . The new planes. Think of the new farm equipment that will be needed—and the possibilities which rural electrification will open up to country homes. These are things which *you* can plan for—and yet they are only half the story.

For beyond your personal planning lies *community* planning. There will be new homes to build by the hundred thousand . . . and new schools and new hospitals. There will be thousands of miles of new highways to lay down . . . and thousands of miles of old highways to widen and straighten and regrade and relight. There will be railroads to modernize and electrify . . . there will be new rolling stock, new depots, new bridges to produce. New recreational centres, cultural centres, civic centres will be needed, new libraries, enlarged universities, new parks and arenas.

We must plan for these things—and we must start planning at once. For peace, like war, will strike suddenly, and, while there must not be the slightest relaxation of our efforts to win the war—if dislocation is to be avoided . . . if readjustment and re-employment are to be carried through swiftly and smoothly . . . if we are to *win* the peace we must *work* for the peace by *planning* for the peace—now.

Many governmental, municipal and industrial groups already are planning for post-war development. Many individuals are planning. But more planning is needed; more is possible. For by planning today, we prepare ready-made markets for tomorrow—markets which will absorb our fullest productivity and create full and gainful employment for all.

CANADIAN GENERAL ELECTRIC CO. LIMITED

THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

WEEK ENDING FEBRUARY 14

Mining Stocks
Week Ending February 14

■ Participating.
▲ On arrears.
* Paid in 1943.

Oil Stocks

				Company	Sales	Last Feb. 7	High	Low	Close
.70	.63	....	....	Okalta	4,100	.67	.68	.64	.65
.04	.02	....	....	Pacalta	12,625	.03	.04	.02	.03
.80	.68	....	....	Pac. Oil R.	14,600	.74	.80	.75	.80
.51	.40	....	....	Pac. Pete	31,000	.45	.51	.45	.51
.05	.03	....	....	Royal Can.	8,500	.05	.05	.05	.05
21.00	20.00	1.00	5	Royalite	146	21.00	21.00	20.00	20.50
1.25	.90	....	....	Texas Can.	200	1.00	1.10	1.05	1.10
.07	.05	....	....	United Oils	3,000	.06	.06½	.06	.06
.07	.07	....	....	Vanalta	100	.07	.07	.07	.07
.19	.11	....	....	Vermilata	31,800	.16	.16	.14	.14
.22	.18	....	....	Vulcan	1,000	.21	.22	.21	.22

* Yield including bonds. † Paid in 1943.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Feb. 15	25,400	21,600	503,000	......
Feb. 14	17,600	21,000	440,000	......
Feb. 12	6,100	6,600	289,000	31,739
Feb. 11	19,600	48,400	480,000	20,219
Feb. 10	22,400	26,500	676,000	33,692
Feb. 9	19,700	14,700	538,000	24,966

STOCKS NOT TRADED THIS WEEK

Oil Stocks

Mining Stocks

Corporation Bonds
(Supplied by Investment Dealers' Association of Canada)
Feb. 15 1944

Supplementary Stock Quotations
(Furnished by Plaxton, McDonnell & Co., Toronto)
Feb. 15, 1944

Miscellaneous Stocks:	Bid	Asked
Sincennes McN. com.	2	2½
United Farmers Co-op.	3	3¾
Waterloo Mfg. com.	6	6¾
Wentworth Radio, pf.	39	..
York Trading com.	4	5½

*Issue carries arrears.
†Currently paying on arrears.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.28	3.59
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.65	4.00
Can. Investors	5.63	6.25
Corp. Investors	6.35	6.85
Trans-Canada	10.55	11.40

Public Utility Earnings
Southern Canada Power
January

	1944	1943
Gross income	$234,090	$262,942
Less: Expenses	111,620	76,075
Taxes	17,426	69,014
Int., deprec., & divds.	119,056	16,337
Surplus	*14,012	1,516

Four Months Ended January

	1944	1943
Gross income	$1,021,450	$1,071,402
Less: Expenses	382,919	306,422
Taxes	186,356	289,732
Int., deprec., & divds.	475,966	467,617
Surplus	*23,791	7,631

*Deficti.

Municipal Bonds
Feb. 15, 1944

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	116.00	119.00	3.56
Hamilton	5	1950	110.00	113.00	2.77
Montreal	5	1945	99.00	102.00	*
Ottawa	4½	1945	102.00	104.00	2.00
†Quebec	5	1959	115.00	118.00	3.45
Saint John	5	1950	106.25	109.25	3.50
†Toronto	4½	1955	123.25	126.25	1.85
†Vancouver	5	1970	115.50	118.50	3.88
Winnipeg	6	1950	113.50	116.50	3.12

†Payable Can. & N. Y. *Flat.

Corporation Bonds (Cont'd)

Inter-City Bak.	5½	'48	102	104½	102
Indust. Accept.	4	'57	98	101	98
Ins. Ex. Bldg.	3	'51	57½	60½	57½
*Inter. P. Nfld. (Bowater's P. & P.)	5	'68	101	103	101

Government Bonds
(Supplied by Investment Dealers' Assoc. of Canada)
Feb. 15, 1944

%	Due	Bid	Ask.
2	June 1944	100	100¾
1½	Sept. 1944	100	100¾
4½	Oct. 1944	102	102¾
2½	Nov. 1944	100¾	101¼
2	Mar. 1945	100¾	101¾
2	Dec. 1946	100¾	101½
4½	Feb. 1946	105¼	106¼
2½	Mar. 1948	100¾	101¾
1¾	May 1946	100	100¾
*2½	Jan. 1948	102½	103½
3½	June 1949	102¾	103½
3½	Oct. 1949	101¼	102¼
3	June 1951	103½	104½
3½	Nov. 1951	103¾	104¾
4	Oct. 1952	106½	107½
3½	Feb. 1952	104½	105½
3	Oct. 1952	101¾	102¾
*3	Jan. 1953	103	104
3	Mar. 1954	101¾	102¾
3	June 1955	100¾	101¾
3	Nov., 1956	100¾	101¾
4½	Nov. 1956	106½	107½
4½	Nov. 1957	107½	108½
*3	Jan. 1958	102	103
3	June 1958	99¾	100¾
4½	Nov. 1958	108¾	109¾
4½	Nov. 1959	109¾	110¾
*4	Oct. 1960	108½	109½
*3½	Jan. 1961	104	105
3½	June 1966	102½	103½
*3	Jan. 1967	101	102½
*3	Nov. 1968	101	102½
3	Perpetual	94¾	96
4th Victory Loan:			
1¾	Nov. 1946	100	100¾
3	May 1954-57	100	100½
5th Victory Loan:			
1¾	May 1947	99¾	100¼
3	Jan. 1956-59	99¾	100¼
Dominion Guarant'd Bonds			
Can. Natl. Railways:			
2½	Jan. 1946	100¾	101¾
3	May 1944	100¼	101¼
3	Dec. 1950	101½	102½
3	Jan. 1959	99½	100½
4½	Sept. 1951	123½	125
4½	Feb. 1956	127½	129
4½	July 1957	128½	130
3	Feb. 1953	101¼	102¼
4½	June 1955	129½	130½
5	Feb. 1954	117½	119
5	July 1969	115¾	117¾
5	Oct. 1969	128½	129¾
5	Feb. 1970	128½	129¾
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955	130½	131¾
Grand Trunk Pacific Rly.:			
3	Jan. 1962	109¾	111¼

Provincial Govt. Bonds

%	Due	Bid	Ask.
New Brunswick:			
4	Nov. 1947	111¼	113¼
3	Oct. 1951	98½	100½
3½	Aug. 1949	99½	101½
3½	June 1956	100¾	102¾
4½	Apr. 1961	118¾	121¼
5	Jan. 1960	124¾	127¼
Nova Scotia:			
3	Jan. 1952	99¾	101¼
3½	June 1956	100¾	102¾
3½	Nov. 1950	103¼	105¼
4½	Sept. 1952	115¼	117¼
4½	Nov. 1960	124¼	127¼
5	Mar. 1960	129½	131¼
Ontario:			
2½	May 1945	100½	101½
3	Apr. 1948	101	102½
3	Nov. 1950	100½	102
3½	Nov. 1951	102¼	103¾
3½	May 1955	101½	103
4	June 1962	122¼	124¾
4½	June 1950	109½	110¾
4½	Jan. 1962	128	131¼
5	Oct. 1948	110	111½
5	Dec. 1969	135½	138½
5½	July 1946	107¼	108¾
Ont. Hydro Commission:			
3	Aug. 1948	100¾	102½
3½	Feb. 1963	101½	103
3½	Apr. 1947	103½	105
Prince Edward Island:			
4	Mar. 1954	101½	103½
Quebec:			
3	Nov. 1947	100½	102
3½	Mar. 1948	101¼	102½
3½	Mar. 1959	101½	103
4	Nov. 1952	103½	105
3½	Feb. 1955	103¼	104¾
4½	Aug. 1958	108¾	111¼
4½	Jan. 1963	113¾	116½
Alberta:			
4½	Oct. 1956	89	91½
4	Dec. 1954	87	89½
5	Oct. 1959	89½	92½
5½	Apr. 1952	90½	93½
6	Mar. 1947	88½	91½
British Columbia:			
4	Dec. 1957	115¾	118¾
4½	Jan. 1951	117¾	120½
4½	Oct. 1953	118¾	121¼
5	Apr. 1954	120¾	123½
5½	Feb. 1945	102	104
6	Feb. 1947	107¾	109¾
Manitoba:			
4	Dec. 1957	108½	110½
4½	Dec. 1956	112½	115½
5	Dec. 1959	118½	121½
5½	Oct. 1955	113½	116
6	Apr. 1947	106½	109
Saskatchewan:			
4	Sept. 1954	89½	92
4	Nov. 1950	89	91½
4½	Oct. 1951	102¾	105½
4½	Mar. 1960	94¾	97½
5	Aug. 1958	98¾	101½
5½	Oct. 1952	99¾	102½
6	Mar. 1952	101¾	104½

*Payable N.Y.

Unlisted Stocks
(Furnished by A. J. Pattison Jr. & Co., Toronto)
Feb. 15, 1944

	Bid	Ask.
Andian National	23½	24½
Anglo C. Tel., A	9	10
Atlas Steels, c.	25	26½
Do., pref.	107	..
B. C. Pulp, c.	14	..
Do., pfd.	75	80
B. C. Sugar	75½	80
B. C. Tel., p.	114	..
Brown, com.	1½	2½
Do., 6% pfd.	35	37
Moirs, pfd.	49	..
Morrison Br., pd.	..	14
Neilson, Wm., c.	15	..
Do., p.	101	..
N. Meth. Ldy., p.	76½	..
Quinte Milk	3	..
Prov. Paper, p.	102	104
River. Silk, B.	2½	..
Stand. Fuel, c.	1½	..
Brit. Amer.	52	..
Canadian Fire	75	82
Canada Life	360	..
Confed. 30% pd.	124	133
Continental L.	29	31
Crown Life	250	..
D. of Can. Gen.	130	..
Dom. Life	177½	..
Empire, 25% pd.	10½	..

Unlisted Mines
Toronto, Feb. 15, 1944

Oil Royalties
Producing Wells — Prices and Payments

Do., No. 7 dfd.	350	500	....	....	....	......	5,700
Do., No. 8 pfd.	165	225	78.60	102.80	......	......	3,400
Do., No. 8 gr.	165	225	73.60	81.20	82.40	1,477.80	2,500
Do., No. 8 dfd.	165	225	....	....	67.20	1,721.20	....
Do., No. 9 gr.	230	320	101.20	115.60	......	......	1,300
Do., No. 9 pfd.	230	320	....	129.60	91.20	2,736.20	....
Do., No. 9 dfd.	230	320	....	....	79.20	‡1,163.60	3,400
Maryland, pfd.	95	...	....	....	......	......	1,300
Miracle No. 1 net	250	300	86.51	102.84	101.61	6,205.81	900
Do., No. 1 gr.	250	300	121.60	125.60	117.54	6,428.33	3,200
Do., No. 2 pfd.	110	200	52.89	52.90	63.66	......	4,000
Do., No. 2 gr.	110	200	46.80	50.40	53.00	1,786.33	1,600
Miracle No. 3 pfd.	140	...	....	....	......	......	....
Do., No. 3 gr.	140	...	145.56	▲145.56	69.43	......	2,500
National Vulcan	100	...	....	....	......	......	....
Northend Pete No. 1 pfd.	♦	...	....	....	......	......	2,300
Do., No. 1 gr.	♦	...	....	....	......	......	3,100
Twin City No. 2 gr.	150	...	85.77	70.59	84.67	......	6,500

*Approximately 25% over dealers' bid price. §Approximate. ■Ontario Acreage Royalty. ♦Testing. ‡To Sept. 30. ▲Oct. payments. †Increased payment represents distribution of a reserve against possible increase in gross payment to Alberta Gov't. (which increase was not allowed in court). Payment must not be considered a regular payment.

Wheat Prices

Winnipeg Grain Futures
Week of Feb. 14, 1944

Crop year from Aug. 1, 1943 High	Low		High for week	Low for week	Close Feb. 14
Oats*					
.51½	.51½	May	.51½	.51⅛	.51⅛
Barley*					
.64¾	.64¾	May	.64¾	.64¾	.64¾
Rye.					
1.31⅝	92½	May	1.29⅜	1.27	1.27⅞
1.31	1.08½	July	1.27¾	1.25½	1.26
1.27¼	1.24	Oct.	1.26⅜	1.24	1.24¼

* At ceiling.

Cash Quotations
For Week

	Feb. 14, 1944 High	Low	Prev. week High	Low
Oats*:				
2 C. W.	.51½	.51½	.51⅛	.51⅛
3 C. W.	.51½	.51½	.51⅛	.51⅛
Barley*:				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye:				
2 C. W.	1.26⅜	1.23⅜	1.27⅝	1.25⅝

* At ceiling prices.

Significant Investors' Index Numbers

(Base 1935-39=100)

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 14	Banks 8	Total utilities 18	Total co's. 95
*1935 to date:												
High	134.5	234.4	149.7	123.7	135.7	118.3	150.0	153.4	146.8	118.2	143.0	134.1

*High and low for years from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

Montreal Stock Exchange Averages

Dividends Declared

	This payment $	Date payable	Date of record
Agnew Surpass, c.	.40+.10	Mar. 1	Jan. 31
Do., pref.	1.75	Apr. 1	Feb. 29
Aunor Gold	.05	Mar. 1	Feb. 10
Ang. Can. Tel. A	.15	Mar. 1	Feb. 10
Aluminium	2	Mar. 6	Feb. 7
Do., pref.	†1.50	Mar. 1	Feb. 3
Bk. of Nova Scotia	2.50	Apr. 1	Mar. 16
Barber Ellis	.12½+.12½	Mar. 15	Feb. 29
Blue Top Brew. A	.15	Mar. 31	Mar. 15
Do., (B)	.04	Mar. 31	Mar. 15
Bk. Can. Nationale	1.50	Mar. 1	Feb. 15
Bruck Silk M.	▪.10	Mar. 15	Feb. 15
Bank of Montreal	1.50	Mar. 1	Jan. 31
Bank of Toronto	2.50	Mar. 1	Feb. 15
Bathurst Pwr. "A"	.25	Mar. 1	Jan. 28
Belding Cort.	1	Apr. 1	Feb. 29
Do., pref.	1.75	Apr. 1	Feb. 29
Belding Cort., c.	‡2	Mar. 1	Jan. 31
Borden Co.	†.40	Mar. 1	Feb. 15
Bright, T. G., pfd.	1.50	Mar. 15	Feb. 29
Burlington Steel	.15	Apr. 1	Mar. 10
Capital Trust	1.50	Mar. 1	Dec. 31
Canada Dry	†.25	Mar. 9	Feb. 24
Can. F. & Forg., A	.37½	Mar. 15	Mar. 1
Canada Iron, pfd.	3	Apr. 1	Mar. 15
Can. Breweries, pfd.	.85	Apr. 1	Feb. 15
Canada Vinegars	.10	Mar. 1	Feb. 15
Chartered Trust	1	Apr. 1	Mar. 15
Commoil	.00½	Feb. 25	Feb. 4
Can. Bakeries, pfd.	1.25	Mar. 1	Jan. 31
Can. Gen. Elec.	2	Apr. 1	Mar. 15
Can. Int. Inv. Tr. pd.	▪.50	Mar. 1	Feb. 1
Can. Cel. Inc. fd. rts.	1	Mar. 15	Dec. 31
Can. Food Prod.	.50	Apr. 1	Feb. 29
Can. Nor. Power	▪.15	Apr. 25	Mar. 20
Do., pref.	▪1.75	Apr. 15	Mar. 20
Can. For. Inv.	1	Apr. 1	Mar. 1
Do., pref.	2	Apr. 1	Mar. 1
Can. Pac. Rly., c.	.50	Mar. 31	Mar. 1
Can. Cottons	$1.50	Apr. 1	Mar. 3
Do., pref.	1.50	Apr. 1	Mar. 3
Consumers Glass	.50	Feb. 29	Jan. 28
Corr. Paper Box, pf.	1.75	Mar. 1	Feb. 4
Do., arrears	*7	Mar. 1	Feb. 4
Crown Cork	.50	Feb. 15	Jan. 19
Canada Wire & C., A	1	Mar. 15	Feb. 29
Do., (B)	.25	Mar. 15	Feb. 29
Do., pref.	1.62½	Mar. 15	Feb. 29
Cockshutt Plow	.25	June 1	May 15
Do.	.25	Dec. 1	Nov. 2
Consol. Bakeries	.20	Apr. 1	Mar. 10
Can. Dom. Sugar	.20	Mar. 1	Feb. 15
Can. Industries A B	1.25	Apr. 29	Mar. 31
Do., pref.	1.75	Apr. 15	Mar. 15
Dairy Corp. pfd.	1.25	Apr. 1	Mar. 1
Distil.-Seag.	.55½	Mar. 15	Mar. 1
Do., pref.	†1.25	May 1	Apr. 15
Dom. Ang. Inv., pfd.	1.25	Mar. 1	Feb. 15
Dominion Bridge	.30	Feb. 25	Jan. 31
Dom. Stores	.10	Mar. 20	Feb. 23
Dom. Scot. Inv. pfd.	.50	Mar. 1	Feb. 7
Dom. Envelope, c.	.10	June 1	May 20
Do.	.10	Dec. 1	Nov. 20
Eastern Steel	.25	Mar. 1	Feb. 12
Eng. Electric "A"	.25	Mar. 15	Feb. 29
Equitable Life	.15	Feb. 21	Feb. 15
Fanny Farmer	†.37½	Apr. 1	Mar. 1
Federated Pete.	.01	Feb. 21	Jan. 31
Federal Grain, pfd.	2	Mar. 1	Feb. 15
Federal Fire	1.50	Feb. 15	Feb. 11
Do.	1.50	Aug. 15	Aug. 11
Hamilton Cotton	.22½	Mar. 1	Feb. 10
Hallnor Mines	.05	Mar. 1	Feb. 10
Imperial Tob., ord.	.10+.15	Mar. 31	Feb. 15
Do., pref.	3%	Mar. 31	Feb. 15
Imperial Varnish	.12½	Mar. 1	Feb. 19
Do., pref.	.37½	Mar. 1	Feb. 19
Inter. Nickel, c.	†.40	Mar. 31	Mar. 1
Indust. Accept. pfd.	1.25	Mar. 31	Feb. 29
Inter. Bronze	.20	Apr. 15	Mar. 15
Do., pref.	.37½	Apr. 15	Mar. 15
Invest. Found., pref.	.75	Apr. 15	Mar. 15
Jam. Pub. Serv.	.17	Apr. 1	Feb. 29
Do., pref.	1.75	Apr. 1	Feb. 29
Kerr Lake Gold	.06	Feb. 29	Feb. 1
Kerr Addison G.	.05	Feb. 29	Feb. 1
Loblaw Groc. A, B	.25	Mar. 1	Feb. 1
Laura Secord	.20	Mar. 1	Feb. 1
Lake Shore Mines	.20	Mar. 15	Feb. 15
Lake of W. Mill.	.30	Mar. 1	Feb. 4
Do., pref.	1.75	Mar. 1	Feb. 4
Loblaw Groc. Inc.	†.15	Feb. 25	Feb. 11
McIntyre Porc.	.55½	Mar. 1	Feb. 1
McK. Red Lake	.02½	Mar. 17	Feb. 29
Montreal Cottons	1	Mar. 15	Feb. 15
Do., pref.	1.75	Mar. 15	Feb. 15
Mitchell, J. S.	2.50	Mar. 1	Feb. 7
Mtl. Loan & Mtge.	.31¼	Mar. 15	Feb. 29
Maclaren Power	.25	Feb. 29	Feb. 12
Monarch Knit. pfd.	7	Mar. 9	Feb. 18
Nat'l Biscuit pfd.	†1.75	Feb. 29	Feb. 11
Niag. W. Weav.	.25	Apr. 1	Mar. 1
Northern Trusts	1	Mar. 15	Feb. 15
N. S. Light, pfd.	1.50	Mar. 1	Feb. 14
Noranda Mines	1	Mar. 15	Feb. 15
Ottawa L. H.	.15	Apr. 1	Feb. 9
Do., pref.	1.25	Apr. 1	Feb. 9
Ogilvie Flour, c.	.25	Apr. 1	Feb. 25
Do., pref.	1.75	Mar. 1	Jan. 28
Ont. Steel Prod.	.25	May 15	Apr. 15
Do., pref.	1.75	May 15	Apr. 15
Paton Mfg.	1	Mar. 15	Feb. 29
Do., pref.	1.75	Mar. 15	Feb. 29
Photo Engrav.	.75	Mar. 1	Feb. 15
Power Corp. 1st pfd.	1.50	Apr. 15	Mar. 20
Do., 2nd pref.	.75	Apr. 15	Mar. 20
Proprietary M.	.05	Mar. 9	Feb. 9
Provincial Bank	1.25	Mar. 1	Feb. 15
Quebec Power	.25	Feb. 25	Jan. 25
Royal Bank	1.50	Mar. 1	Jan. 31
Rolland Paper pref.	1.50	Mar. 1	Feb. 15
Regent Knit.	.25	Mar. 1	Feb. 4
Do., pref.	.40	Mar. 1	Feb. 4
Do., pref.	.40	June 1	May 1
Do., pref.	.40	Sept. 1	Aug. 1
Do., pref.	.40	Dec. 1	Nov. 2
Sec. Can. Int. Inv., p.	.10	Mar. 1	Feb. 15
Do., com.	.10	Mar. 1	Feb. 15
Shawinigan W. Pr.	.23	Feb. 25	Jan. 18
Silverwoods	.20	Apr. 1	Feb. 29
Do., pref.	.20	Apr. 1	Feb. 29
South. Can. Pwr., c.	.20	May 15	Apr. 20
Do., pref.	1.50	Apr. 15	Mar. 20
Sherwin Wms, pd.	1.75	Apr. 1	Mar. 10
Siscoe Gold	♦.01½	Mar. 15	Feb. 12
Sullivan Cons.	.03	Mar. 15	Feb. 15
Sunset Oils	.01	Mar. 15	Mar. 1
Stuart, D. A. Oil p.	.20	Mar. 1	Feb. 15
Sherwin-Wms. c.	.15	May 1	Apr. 10
Sid. Pav. pf.	.31¼+.31¼	Apr. 1	Mar. 20
Stedman Bros.	.15+.60	Apr. 1	Mar. 20
Sylvanite Gold	.03	Apr. 15	Feb. 25
Toronto Elev., pfd.	.65	Mar. 7	Feb. 25
Tuckett Tob., pref.	1.75	Apr. 15	Mar. 31
Twin City R., pfd.	1.75	Mar. 30	Mar. 1
Toburn Gold	.01	Feb. 22	Jan. 22
Toronto Elev. pfd.	.65	Mar. 7	Feb. 25
Upper Can. Mines	.02½	Feb. 29	Feb. 15
Wellington Fire	1.75	Feb. 15	Feb. 11
Do.	1.75	Aug. 15	Aug. 11
Wilsil	.25	Apr. 1	Mar. 1
Walker-Good.	1	Mar. 15	Feb. 11
Do., pref.	.25	Mar. 15	Feb. 11
Waite Amulet	.20	Mar. 10	Feb. 11
Yukon Cons.	▪.06	Mar. 15	Feb. 15

▪Subject to approval of Foreign Exchange Control Board.
†Payable in N. Y. funds.
‡Extra. *Eliminates arrears.
♦Further divd. action deferred until year end.

Annual Meetings

1944	Company	Place
Feb. 21	Canada Cement	Montreal
Feb. 21	Caldwell Linen Mills	Iroquois
Feb. 21	Gen. Security Insur.	Montreal
Feb. 21	Landed Bank & Loan	Hamilton
Feb. 21	Wiltsey Coghlan M.	Toronto
Feb. 23	Dominion Bridge	Montreal
Feb. 24	Bell Telephone	Montreal
Feb. 24	Dom. Oil & Linoleum	Montreal
Feb. 24	St. Lawrence Corp.	Montreal
Feb. 24	St. Law. Paper Mills	Montreal
Feb. 25	Bruck Silk Mills	Montreal
Feb. 25	Casualty Co. of Can.	Toronto
Feb. 25	Dom. of Can. Gen. Ins.	Toronto
Feb. 28	Montreal Life Ins.	Montreal
Mar. 1	Distillers-Seag.†	Montreal
Mar. 1	Distillers Seag.▪	Montreal
Mar. 7	Bear Explor. and Rad.*	Toronto
Mar. 8	Woods Manufacturing*	Montreal
Mar. 29	Rolland Paper	Montreal
Apr. 26	Candn. Breweries	Toronto

† Preferred shareholders. ▪Common shareholders. * Special.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$12.00	$11.86	$11.70
Hogs	17.10	17.11	16.82
Copper, lb.	*.12	.12	.12
Sugar, raw, lb.	*.0374	.0374	.0374
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	103.1	103.1	102.0
Dow Jones (fut.)	96.62	96.85	89.24
Fishers'	112.4	112.5	110.5
Monthly Indices			
Canada (D.B.S.):			
Retail (Jan.)	119.0	119.3	117.1
W'sale (Dec.)	102.5	102.4	95.6
U. S. (Oct.)	103.0	103.1	100.0
Gr. Brit. (Nov.)	162.7	162.5	161.0

Note—The base of indices is that 1926 equals 100. † Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

Bond Redemptions

Bond Issues—	Rate	Year	Due	Price
Price Bros.	4%	1957	Mar. 1	100
Atlantic Sugar	▪4%	1951	Mar. 1	102
Stop & Shop. A	3%	1947	Apr. 1	103½
Do., 2nd mtge.	3%	1947	Apr. 1	103
Dom. Elec. Pr.	5½%	1955	Mar. 1	103
Do., debs.	6½%	1950	June 1	102
Porto Rico Pr.	6%	1950	Feb. 21	101¾
N. S. Lt. & Pr.	‡4%	1957	Mar. 1	103½
Intl. Paper. A	*6%	1955	Mar. 1	105
Acadia Sugar	♦4½%	1955	Apr. 1	102

▪$62,000. ‡$54,000. *$469,500. ♦$36,500.

Stock Issues—				
Blue Top Brew	5%	"A"	Mar. 1	11
Can. For. Invest.	8%	Pref.	Apr. 1	105

See Wheat Being Favored

"No Incentive to Increase Coarse Grain Acreage Now"

From Our Own Correspondent

WINNIPEG. — The Dominion Government has announced that farmers delivery quotas for wheat during the current crop year may go as high as 18 bushels per authorized acre. When the wheat crop was seeded, they were told maximum delivery would be 14 bu. So, with respect to wheat, farmers will do better with marketings than they were led to expect.

The case is different with coarse grains. When the 1943 crop was seeded, it was under a guarantee of basic prices of 45 cents per bushel for oats, and 60 cents for barley. Presumably, or so many farmers interpreted it, that meant for all the oats and barley they could grow. As there was to be a definite limitation on wheat marketings, and apparently none on oats and barley, delivery prospects played a large part in the decision of farmers to grow such crops, and to reduce wheat acreage.

Farmers Sold Surplus

Soon after the crop was harvested, prices moved up to the ceiling levels of 5½ cents per bushel for oats, and 64¾ cents for barley. This encouraged farmers to sell their surplus of such grains. With lower prices they might have been content to hold them as reserves against possible future needs. Then, added to the ceiling prices came payment of 10 cents a bushel on oats, and 15 cents on barley, as an advance against distribution of equalization fees collected for permits for the export of these grains to the United States. That meant increased emphasis on the value of oats and barley as cash crops, especially as a certain number of farmers liquidated a portion of their livestock, believing it more profitable to sell their grain than to feed it.

Indeed, farmers who continued to feed grain felt aggrieved because they could not collect equalization fee payments. Many argue they were discriminated against in favor of the man who bought grain, and who was able to do so at ceiling prices.

Coarse Grain Market in Doubt

Now it looks doubtful if all farmers who want to sell coarse grains during the current crop year will be able to do so. True, there is still a big demand for oats and barley, but it is a demand which is now going unsatisfied. There are only a limited number of railway cars for grain shipments from the country, and just now need for wheat is so great that wheat is getting the preference. At most country elevators oats and barley are currently unmarketable. All available space for such grains is occupied.

Delivery quotas for wheat have been going up, but the prevailing one for other grain is still only 10 bushels per seeded acre. As the season advances there will undoubtedly be great pressure on the Canadian Wheat Board to increase such quotas, and also to allow more loadings from country elevators. If it is impossible to meet such demands, some farmers will complain the Government has not lived up to its guarantees.

Few Grouches So Far

So far the complaints have not been numerous because most farmers have had wheat to market. Many have now disposed of it all. The 14 bushel quota has been enough for their needs, perhaps because of short crops last year, because they live in districts pre-eminently suited to coarse grains, or perhaps because they shifted from wheat to oats and barley in response to Government propaganda.

Shipments of oats and barley to the lakehead are embargoed just now to give right of way to wheat. Not long ago special efforts were made to keep feed grains flowing eastbound to take care of feeding requirements of farmers in the East. For the moment such needs are satisfied, and there is still a big feed bank of stored grain in eastern elevators, built up with government assistance as assurance against possible scarcity.

Eastern Opinion

Eastern farmers are inclined to say more grain will have to be shipped east to satisfy their needs. Eastern dealers are somewhat doubtful. Eastern millers, however, explain the situation by saying ceiling prices on mill feeds are so low, in comparison with whole grains, that farmers will feed bran and shorts before they will buy other feeds.

Dealers in the U.S. would willingly buy all the Canadian oats and barley offered if they could get transportation. But American railways, while they will send empty cars to western Canada for the wheat being bought by the Commodity Credit Corp., will not send them for private dealers who must handle the trade in other grains. Canadian cars are not sent into U.S. with grain, except a limited number which the Canadian National is willing to move to Duluth, for unloading there under conditions which enable the railway to keep full control of its own cars.

Although wheat is getting the preference in loading, wheat movements are not heavy enough to build up stocks at the lakehead rapidly enough to take care of probable requirements when navigation opens in the spring. Just now the railways are allotting a number of cars every day to move wheat from Alberta country elevators to replenish depleted stocks in Pacific Coast terminals and to keep replenished the stocks of western flour mills which are grinding to capacity. Of the wheat which does get to the lakehead a considerable percentage is being shipped East by rail.

Favor Alberta

Just now the railways are under instructions to favor Alberta and western Saskatchewan in allocation of cars, in an endeavor to equalize conditions with Manitoba and eastern Saskatchewan which got the bulk of shipments last fall. In all probability, however, detailed control of railway shipments by the Canadian Wheat Board, and efforts to keep deliveries equalized will shortly have to be abandoned, and the railways given freedom to use their cars to ensure maximum movement to the lakehead.

That policy was adopted for some weeks last fall. Although it favored some districts, railway efficiency in grain moving was increased about 25%.

So far comparatively little wheat has been moved out of country elevator annexes. Most of the wheat stored there is of the 1942 crop, grades No. 1 and No. 2 Northern. It is awkward and expensive to empty, and refill an annex, and only high grade and dry grain is suitable for the purpose. Nevertheless need for wheat is likely to be so great within the next few weeks that many annexes will have to be emptied at the points from which railway shipments can most conveniently be made.

Wheat Board To Open Books

Certificate Holders Entitled to Information Orders Court

From Our Own Correspondent

WINNIPEG. — The Canadian Wheat Board must expose its accounts for the crop years 1938 to 1942, according to a Court of King's Bench ruling.

A demand for the accounts was made in the case of Arthur H. Oatway, a farmer and councillor of the rural municipality of Rosser, Man., who sued on behalf of himself and other wheat producers who hold "participation certificates" issued by the Wheat Board.

Participation certificates are issued by the Wheat Board and ostensibly entitle producers to a share in profits from the sale of their wheat after it has been bought by the Board at a fixed, initial price.

So far, Oatway claims, no payments have been made on those certificates. He holds 15 of them, received in his dealings with the Board over the past few years.

Company Reports

Guarantee Co. of N.A.

Year ended Dec. 31:	1943 $	1942 $
Net profit	162,815	141,292
Earned per share	26.70	23.15
Paid per share*	6.00	6.00

*Excluding extras of $11.50 a share.
(Comparative 1942 figures bracketed)

Revenue of Guarantee Co. of North America in 1943 from underwritings and investments totalled $347,857 ($323,774). Income tax provisions amounted to $185,042 ($107,482). There was no reserve for contingencies, whereas previous year $75,000 was set aside.

Statement shows a decline in net premiums written at $412,178 ($522,578) due to a decrease in surety premiums received under reinsurance agreement. Net losses incurred totalled $30,470, while outstanding liabilities for losses pending, taxes, unearned premium reserve, etc., amount to $667,223.

Lambton Trust

Years ended Dec. 31:	1943	1942
Earned per share*	$1.85	$1.64
Paid	1.50	1.50
Total net assets†	$388,302	$382,395
Estates, trusts & ag. ac.	706,764	510,501

* Based on net profit after deducting costs of management and all other expenses, and before transfer from investment reserve.
† Total assets, exclusive of estates department, less provision for profit taxes and investment reserve.
* (Comparative 1942 figures bracketed).

Net profit of $11,652 ($10,336) was reported by Lambton Trust Co., subsidiary of Lambton Loan & Investment Co., for the year ended Dec. 31. A transfer of $10,000 was made from investment reserve. The sum of $4,286 was used to adjust mortgage and agreement interest to a cash received basis, according to decision of the parent company. Bonds and debentures held in capital account rose to $169,992 from $127,298. Mortgages and agreements for sale dropped slightly to $210,699 ($253,113).

Guelph Trust

Years ended Dec. 31:	1943	1942
Earned on paid-in cap.*	8.43%	8.43%
Paid	5.00%	5.00%
Total net assets†	$1,050,576	$1,036,168
Gtd. liabilities	516,293	502,253
Shareholders' equity	534,283	533,915
Estates, trusts ag. acct.	5,624,248	5,058,021

* Based on net earnings after payment of taxes and addition to tax reserve, but before transfer to investment reserve.
† Total assets, exclusive of estates, trusts, and agency account, less reserve for taxes, dividends declared and unpaid, and investment reserve of $10,000 in both years.
(Previous year's figures bracketed below).

Guelph Trust Co., a subsidiary of Guelph & Ontario Investment & Savings Society, reports net profit of $25,493 ($25,523) for the year ended Dec. 31, 1943, after payment of taxes amounting to $14,818 ($14,479), and addition of $6,000 ($5,000) to tax reserve. The sum of $10,000 ($10,000) was transferred to investment reserve. Mortgages held by the company on both capital and guaranteed trust accounts amounted to $688,240 ($808,828), while Dominion and provincial bonds totalled $362,516 ($221,839). Resignation of J. M. Purcell as managing director, noted with respect to Guelph & Ontario Investment & Savings Society, applies also to Guelph Trust Co., as does the appointment of H. L. Benallick as manager.

Maple Leaf Gardens

Years ended Oct. 31:	1943	1942
Earned per share pf.	$0.94	$1.08
Paid	.70	.40
Earned common	.52	.83
Paid	nil	nil
Working capital	175,160	186,966

(Previous year's figures bracketed below).

Net profits of Maple Leaf Gardens Ltd. for the year ended Oct. 31, 1943, amounted to $74,683 ($86,176), after provision of $136,059 ($104,016) for income and excess profits taxes. Full dividend of 7% was paid on preferred stock. A payment of $75,000 reduced the principal amount of the mortgage to $80,000. Refundable portion of excess profits tax amounts to $19,481.

Guelph & Ontario

Years ended Dec. 31:	1943	1942
Earned per share*	$4.07	$4.00
Paid	2.50	3.00
Total net assets†	5,468,613	5,229,596
Gtd. liabilities	3,953,248	3,714,623
Shareholders' equity	1,515,365	1,514,973

* Based on net profit after addition to reserve for taxes but before transfer to investment reserve.
† Total assets less reserve for taxes and item other liabilities.
(Previous year's figures bracketed below).

Net profit of Guelph & Ontario Investment & Savings Society, after deduction of taxes and $10,000 ($6,000) added to tax reserve, amounted to $78,652 ($77,179). Taxes paid totalled $21,614 ($21,338). Transferred to investment reserve was the sum of $30,000 ($25,000). Real estate held for sale was reduced substantially during the year to $98,711 ($157,391). Mortgages and agreements for sale showed little change at $3,816,255 ($3,890,697), while Dominion and provincial bonds rose to $1,093,678 ($713,154).

J. R. Howitt, president, announced the resignation of J. M. Purcell as managing director, but stated that he would remain as member of the board and consulting director. H. L. Benallick, formerly assistant manager, has been appointed manager.

Cockshutt Plow

Years Ended Nov. 30:	1943	1942
Earned ped share*	$1.32	$1.79
Paid	0.50	0.50

*Does not include 23c. per share each year of refundable taxes.
(Previous year's figures bracketed below).

Total sales of Cockshutt Plow in 1943 were approximately the same as in 1942. Sales of farm implements were down 35% but this decrease was offset by increased shipments under war contracts. Production of farm implements, the company reports, fell far short of consumer demand.

If there are no cancellations, war contracts will continue on a large scale throughout 1944, and farm implement production, by government order, will be increased approximately 35% over last year, states President C. G. Cockshutt. He believes government endeavors to to place returned men on farms and also establish Canada as a source of farm machinery required by freed countries encourages the belief that prospects are good for years to come.

Net profit for 1943 including refundable taxes of $69,216 ($69,021), was $397,918 ($538,747), or $1.32 ($1.79) per share. Total deduction for taxes was $623,131 ($908,128), and for depreciation, including special depreciation, $1,121,667 ($920,970). The sum of $258,024 (nil) was recovered on uncollectible accounts previously written off. Working capital at Nov. 30, 1943, was $4,894,608, against $4,699,836 at Nov. 30, 1942.

Montreal Trust

Year ended Dec. 31:	1943 $	1942 $
Earned per share	4.61	4.06
Paid per share	3.20	3.20
Total net assets	9,126,687	10,583,996
Gtd. accounts	3,161,197	4,923,347
Shareholders' Equity	5,965,490	5,660,649
Estates, Trusts & Agency account	898,610,765	870,991,922
Gtd. account	16,017,927	15,831,378

(Comparative 1942 figures bracketed)

Montreal Trust Co.'s financial statement for 1943 reveals a moderate improvement in earnings, an expansion of capital account, a decline in guaranteed trust account and further growth in estates, trusts, etc., account.

In the capital account cash stands at $325,305 ($266,571). Securities owned amount to $8,029,474 ($9,489,974). Guaranteed accounts, etc., on the other hand, dropped to $3,161,197 ($4,923,347).

In the guaranteed trust account call loans declined to $9,758,969 $6,719,574) while cash was off at $1,186,027 ($1,557,174).

Maritime Tel. & Tel.

Year ended Dec. 31:	1943 $	1942 $
Net income	388,344	414,526
Earned per share*	0.95	1.03
Paid per share	0.80	0.80
Working capital	765,066	796,847

*Excluding refundable portion of E. P. tax totalling $146,819 in 1943 and $49,350 in 1942.
(Comparative 1942 figures bracketed)

Maritime Telegraph and Telephone Co. reports a record volume of operations and revenues during 1943. Number of stations in operation at the end of the year was 59,573 (55,719) with gross operating revenue of $3,538,169, an increase of 14.3% over 1942 and 70% more than in 1939. Long distance revenue last year increased 29.6% over 1942 and was 128% over 1939 figures.

Balance sheet position at the end of last year shows fixed assets at $13,326,589 ($12,851,692). Cash and government bonds aggregated $783,680 ($607,993); accounts receivable $498,093 ($350,019); inventories $302,575 ($472,192) Issued common stock increased during the year to 407,853 shares (402,851).

Lambton Loan

Years ended Dec. 31:	1943	1942
Earned per share*	$4.06	$2.63
Paid	2.50	2.50
Total net assets†	4,562,250	4,180,200
Guar. liabilities	2,979,913	2,623,269
Shareholders' equity	1,582,337	1,556,931

* Based on net profit after deduction of provision for taxes.
† Total assets less provision for taxes, dividend payable, and item "all other liabilites."
(Corresponding 1942 figures bracketed).

In the hundredth year of its operation, Lambton Loan & Investment Co. reports net profit of $64,894 ($41,521), after provision of $33,500 for income and EP taxes. R. Mackenzie, president, and G. C. Norsworthy, manager, reported that certain reserves set aside against losses on real estate proved excessive, and that the excess portion has been used to provide income tax on recoveries arising from such reserves to the amount of $10,000 and a tellers' risk fund of $1,000. The remaining $49,186 was used to write off accrued interest on mortgages and agreements as at Dec. 31, 1942. In future, earnings so far as mortgage and agreement interest are concerned, will be stated only on basis of actual cash collected. All assets have been revalued, the president stated. Bonds and debentures held by the company increased to $997,437 ($654,180). Common and preferred stocks rose to $341,506 ($107,372). Mortgages and agreements for sale remained stable at $2,562,123 ($2,685,605).

Maclaren Power & Paper

Year ended Dec. 31:	1943 $	1942 $
Net profit	697,075	997,886
Earned per share	1.39	1.99
Paid per share	1.00	1.00
Net working capital	4,246,248	2,561,473

(Comparative 1942 figures bracketed)

Consolidated earnings of Maclaren Power & Paper Co. in 1943 totalled $1,724,075 ($1,686,886). Tax provision absorbed $1,027,000 ($691,000).

The paper subsidiary, James Maclaren Co., showed sales of $3,683,678 ($3,041,735), with profit of $991,810 ($1,028,338) largely because of the increase in tax to $707,000 ($390,000). The other subsidiary, Maclaren-Quebec Power Co. had a gross revenue of $2,623,028 ($2,689,996) and net after taxes of $412,265 ($359,528).

Most notable change in the consolidated balance sheet was an increase in investments to $2,784,850 ($1,129,000). Inventories also advanced amounting to $2,572,405 ($1,973,160).

Montreal Loan

Year ended Dec. 31:	1943 $	1942 $
Net profit	44,886	48,633
Earned per share	1.87	2.02
Paid per share	1.25	1.25

(Comparative 1942 figures bracketed)

Montreal Loan & Mortgage Co. reports a moderate reduction in profits during 1943 owing to the smaller volume of mortgage business offering. Mortgages on real estate at the end of the year totalled $969,333 ($1,056,928). Real estate and bond investments recorded little change, while stock investments increased to $146,258 ($70,947).

Mount Royal Hotel

Year ended Dec. 31:	1943 $	1942 $
Net income	144,551	85,460
Earned per share	1.03	0.62
Working capital	249,340	231,500

(Comparative 1942 figures bracketed)

Mount Royal Hotel Co. facilities were used to a maximum last year, with the result gross revenue totalled $3,631,847 ($3,037,859). Operating expenses were up $300,000, bond interest down $12,000, while depreciation reserve remained unchanged at $200,000.

Cash and government bonds held by the company at the end of the year totalled $334,829 ($265,885). Inventories dropped to $174,587 ($337,056) while accounts receivable moved up to $142,447 ($98,669). Funded debt at the end of the year amounted to $3,002,000 ($3,340,500).

DIVIDEND NOTICES

PACKARD MOTOR CAR COMPANY

DIVIDEND NO. 128

The Board of Directors has declared a dividend of ten cents (10c) per share on the outstanding Common Non-Par Value Shares of the Company, payable on the 1st day of April, 1944, to the holders of the Common Non-Par Value Shares of record at the close of business February 19th, 1944. The books will not be closed.

HUGH J. FERRY, Secretary
Detroit, Michigan, February 7, 1944

RELIANCE GRAIN COMPANY LIMITED

6½% CUMULATIVE PREFERRED STOCK

A DIVIDEND of one and five-eighths per cent (1⅝%) per share, being the dividend for the quarter ending February 29, 1944, is hereby declared and authorized to be paid on March 15, 1944, to all preference shareholders of record with the transfer agents of the Company at the close of business on February 29, 1944.

By order of the Board,
A. W. GIBB, Secretary.
Winnipeg, February 3, 1944.

WILTSEY-COGHLAN MINES LIMITED

Notice to Shareholders

TAKE NOTICE that a Special Meeting of the Shareholders of Wiltsey-Coghlan Mines Limited (No Personal Liability) has been called for the purpose of considering and, if approved, ratifying and confirming a By-Law of the Company, passed by the Directors, providing for the increase of the authorized share capital of the Company from 3,000,000 shares of $1.00 par to 4,000,000 shares of $1.00 par.

If such By-Law is approved and Supplementary Letters Patent providing such increase are granted, it is the intention of the Directors to offer to all shareholders of record March 6, 1944, valuable rights to purchase part of the shares of the increased capital.

Such shares of the proposed increased capital as may be offered to shareholders of record March 6, 1944, will be underwritten so that those not subscribed for by shareholders will be taken up by the underwriters, thus providing ample funds for the resumption of work on the Rouyn property of the Company.

In order to obtain these valuable rights, if they become available, all shareholders are urged immediately to have their shares transferred to their names on the books of the Company in the hands of its Registrar and Transfer Agent, the Guaranty Trust Company of Canada, 70 Richmond Street West, Toronto, Canada.

Dated at Toronto this 10th day of February, 1944.

By Order of the Board,
MARGARET B. SMITH,
Secretary.

WE WILL BUY
Bay-Adelaide 6½'s 1st Mtge.
Clarendon Apts. 7's '46
Clarendon Prop. 7's '47
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
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DIVIDEND NOTICES

Canadian Pacific Railway Company

Dividend Notice

At a meeting of the Board of Directors held today a dividend of two per cent (fifty cents per share) on the Ordinary Capital Stock in respect of, and out of earnings for, the year 1943, was declared payable, in Canadian funds, March 31, 1944, to Shareholders of record at 3 p.m. on March 1, 1944.

By Order of the Board,
FREDERICK BRAMLEY,
Secretary.
Montreal, February 14, 1944.

DIVIDEND NOTICE

English Electric Company of Canada, Limited

CLASS "A" SHARES

Notice is hereby given that the Board of Directors have declared a dividend of twenty-five cents (25c) per share on the outstanding Class "A" shares of the Company, payable March 15th, 1944, to shareholders of record at the close of business on February 29th, 1944.

AUBREY MUNDY,
Secretary.
February 11th, 1944.

The Bank of Nova Scotia

DIVIDEND NO. 297

Notice is hereby given that a Dividend of two and one-half per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of March 16th, and that the same will be payable on and after Saturday, the first day of April next, at any of the offices of the Bank in Canada.

By order of the Board.
H. D. BURNS,
General Manager.
Halifax, N.S., February 8th, 1944.

Consolidated Bakeries of Canada Limited

NOTICE IS HEREBY GIVEN that a dividend of twenty cents (20c) per share on the outstanding shares in the capital stock of Consolidated Bakeries of Canada Limited has been declared payable on the 1st day of April, 1944, to shareholders of record at the close of business on the 10th day of March, 1944.

By order of the Board,
H. O. NEALE,
Secretary.

Belding-Corticelli Limited

Notice of Preferred Stock Dividend No. 117

A Dividend of one and three-quarters per cent (1¾%) has been declared on the Preferred Stock of this Company, for quarter ending 29th February, 1944.

Notice of Common Stock Dividend No. 72

A dividend of one per cent (1%) has been declared on the Common Stock of this Company, for quarter ending 29th February, 1944.

The above dividends are payable on the 1st day of April, 1944, to Shareholders of record at the close of business the 29th day of February, 1944.

By order of the Board,
D. F. POLLOCK,
Secretary.

DIVIDEND NOTICES

Sylvanite Gold Mines, Limited

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

NOTICE OF DIVIDEND NO. 54

TAKE NOTICE that a regular quarterly Dividend of 3% (i.e., three cents per share) on the outstanding Capital Stock of the Company, payable in Canadian funds, has been declared as Dividend No. 54.

Such Dividend will be payable April 15th, 1944, to Shareholders of record at the close of business February 25th, 1944.

In the case of Share Warrants, such Dividend will be payable on or after April 15th, 1944, in respect of the shares specified therein upon presentation and delivery of Coupon No. 54 at:

The Canadian Bank of Commerce, Toronto, or any Branch of said Bank in Canada (far Northern Branches excepted), or Liberty Bank of Buffalo, Buffalo, N.Y.

By Order of the Board.
W. S. WALTON,
Secretary.
Toronto, February 15th, 1944.

BANQUE CANADIENNE NATIONALE

Quarterly Dividend

NOTICE is hereby given that a dividend of one and a half per cent (1½%), has been declared by the Directors of Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 29th day of February, 1944. This dividend, bearing the number 212, will be payable at the Main Office or at the branches of the Bank, on or after the 1st day of March, 1944, to the shareholders of record on February 15, at 3 p.m.

By order of the Board,
CHARLES ST-PIERRE,
General Manager.

The Bank of Toronto

Dividend No. 250

Notice is hereby given that a **Dividend of Two and One-half** per cent upon the Paid-Up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the first day of March next, to shareholders of record on February 15th, 1944.

By Order of the Board.
B. S. VANSTONE,
General Manager.

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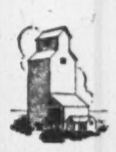

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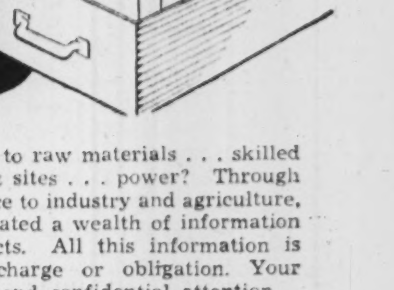

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DEPARTMENT OF INDUSTRIAL DEVELOPMENT
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Stadacona Situation Outlined

Delay in Ending Liquidation Seen Surprising

By GORDON M. GRANT

Notice was scheduled to be served on Liquidator Georges Duclos of Stadacona Rouyn Mines this week under which three individuals—a noteholder, a shareholder and an ordinary creditor—ask the Quebec Superior Court of the District of Montreal to:

1. Order the Liquidator to give an accounting of his stewardship during the period of liquidation;

2. Accept the Vincent plan for financing (outlined last week) which calls for a return of the company to its shareholders free of debt and with $100,000 working capital.

Besides Mr. Vincent, others are reported interested in submitting financing plans to take the company out of liquidation.

In Liquidation Four Years

Stadacona was originally placed in liquidation in Dec., 1939, and was subsequently found to be without working capital and to have over-issued both its notes and common shares beyond amounts authorized.

Operations have been under the liquidator since Dec., 1939, the latest statement covering liquidator's operations being mailed to shareholders under date of June 1, 1943.

From time to time, Mr. Duclos has given some details on its financial position but some shareholders claim that no complete statement has been made.

With very good results attending Stadacona's last four years' operation (in liquidation), any needed capital adjustment required for a return of the company to its shareholders is now said to be a relatively simple affair. Working capital of $407,425 at Nov. 30, 1943, compared with a $79,816 working capital deficit at Nov. 30, 1939, (according to a usually reliable source): the mine has now a much improved ore position.

An unusual feature of the Stadacona liquidation is the fact that no court ruling on some $325,396 of "Other Claims" (additional to $52,993 of trade creditors' claims) had been reported by the end of 1943.

Parties in touch with the situation say that some of these claims stand to be "thrown out" by the court, while still other claims are likely to be reduced to nominal amounts.

These claims at the end of 1943 were:

"Other Claims in Suspense"

	$
Buchanan, E.	3,150
Callaghan, J. F.	4,761
Heath & Sherwood	13,708
Kennedy, M. D.	817
Lemieux, Aug.	112
M. R. Mulligan	178,122
Prudential Trust	4,569
Sills, Frank	1,090
Trew, A. C.	1,482
Pelletier Lake G. M.	117,385
	325,396

Clarify Note Status

The status of the company's over-issue of notes and shares has been greatly clarified and is said to present no great barrier to any reorganization, particularly if a ruling on remaining notes and shares is pressed. A statement by Mr. Duclos at the end of 1943, which hasn't previously been made available to shareholders, shows that claims for notes filed totalled $1,415,897. But of these, $419,160 represented amounts withdrawn or disallowed while $484,175 has been ordered reconverted into shares by the court, leaving only $374,050 of cash liability note claims plus $138,512 of note claims in suspense. Apparently the "in suspense" note issue will be further reduced; the liquidator includes it at only $30,000 in liabilities.

Allowing for original Stadacona issue of three million shares, notes to be reconverted into shares, and 130,786 shares in suspense which may or may not be issued, outstanding share capital under the present setup will not exceed 3,700,488 shares. Proved shareholders' claims to Dec. 31, 1943, were 2,431,506 shares.

Financial Position

The reported financial position as of Nov. 30, 1943, is as follows:

Current Assets:	$
Cash	6,494
Petty cash	21
Liquidator's cash	93,715
D. of C. bonds	275,000
Stores	73,438
Stores (deferred)	10,128
Receivables	521
Bullion in bank	30,161
Values in solution	3,000
Total	494,478
Current Liabilities:	$
Accounts payable	85,753
Employees' bonds	1,300
Total	87,053

Parties interested in this situation are also claiming that a full and prompt report of present mining practice at this property should be made.

Mr. Duclos was reported last week as stating that he is now dealing with contentious claims and believes he will be able to report within a few weeks that the cash liabilities will not exceed the amount he has on hand and that shareholders will be able to take back their property clear of all liabilities. But the holder of the $178,122 Mulligan claim denies that any attempt has so far been made to deal with this claim, and ability to turn back the company free of debt in a few weeks is reported as open to question unless all the $325,396 "Other Claims" can be practically eliminated by negotiation and court rulings. Even if cash assets pass cash liabilities, the company will need working capital to continue operations.

Inquiries invited regarding Canadian Industrial and Mining Investments. We specialize in the Dividend Paying Gold Mines and in new gold mining properties under present active and encouraging development.

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Oil Production

To Extend Well Drilling In Taber District

From Our Own Correspondent

CALGARY. — Standard Oil of California, through its subsidiary Dominion Oil Co., has stepped up its southern Alberta plains oil search by addition of a fifth drilling rig.

Formerly, Standard - California, through Dominion Oil, had one rig engaged in southern Alberta plains wildcatting; plus one rig engaged in Taber oilfield extension drilling under the Dominion Oil-Nassau Explorations joint program; plus two rigs engaged wildcatting under the Mid-Continent Oil & Gas and Standard Oil of B.C. joint program. The 5th rig is to be engaged in Dominion Oil wildcatting.

* * *

To Drill to East

Announcing the expanded wildcatting program, Dominion Oil announced its next two well locations, both on the company's large reservation east of Taber, extending from Grassy Lake to the Foremost area. This reservation has been seismographed and core-drilled by Dominion during the past year, but the new locations will be the initial deep tests on it. Both will go into the Madison lime, with total depths 3,300 to 3,500 ft.

Dominion's Foremost - Province No. 1 is to be drilled in the centre of the northeast 10 acres of L.S.D. 1 14-5-12w4, about 40 miles southeast of the Taber oilfield, and about nine miles northwest of the Dominion Crow Indian Lake test, abandoned last week. The Foremost rig is now being installed, with spudding expected shortly.

Dominion's Grassy Lake-Province No. 1 is to be drilled in the northeast 10 acres of L.S.D. 3 15-9-13w4, 21 miles east of the Taber oilfield, about 12 miles southwest of the Bow Island gasfield. This well is also to be drilled under contract by the Can-Tex Drilling Co., using this contractor's light rotary which has been engaged for several months in Cannar Oil's drilling at Vermilion. The rig has been shipped to Grassy Lake and is being moved to the site. Meanwhile, preliminary work is under way.

* * *

Plan Gas & Oil Controls

"Legislation will be introduced which will make it possible to regulate effectively gas and oil in Turner Valley and elsewhere in the province, so as to eliminate gas wastage, to prevent monopoly control, and to see that all producers are enabled to participate rateably in any available markets." So declared Lieut.-Gov. J. C. Bowen in his Throne Speech at the opening of the Alberta Legislature session on Feb. 10.

The statement is taken to mean that the Alberta Government will introduce legislation to implement the "Weymouth plan" for gas conservation in Turner Valley, to change the natural gas market, and to share this market equitably among all producers.

The Lieut-Governor also stated in his throne speech: "My Government intends to give every encouragement to exploratory and development work, and to see that our oil and other natural resources are developed in the best interests of all the people of the province. New regulations recently introduced should result in a greatly extended program of exploratory work during the coming year."

* * *

Want Pipeline Rate Boosted

A 2.27c. per bbl. boost in the Turner Valley-Calgary pipeline transport charge was urged on the Alberta Public Utilities Board last week by E. J. Chambers, K.C., counsel for the Valley Pipeline Co. He asked that an average charge of 11.78c. be set for the seven year period ending in 1950. Current rate is 9.5c. per bbl.

Mr. Chambers urged that an equalization fund be established, by the Board's order, to which would be transferred each year any difference between transportation revenue and cost. Any surplus earnings in the earlier future years from the transportation rate of 11.78c. (in excess of the 9½% return on the base rate) would be transferred to this reserve or fund to be withdrawn as required in the later years when the anticipated transportation will not provide the 9½% return on the base rate. If an equalization fund is ordered by the Utilities Board, the pipeline company would apply to the income tax authorities to have the amounts transferred to the fund created as "deferred income" and taxed only as and when they are withdrawn from the fund.

The pipeline company's rate calculations are based on their estimates of probable Turner Valley recovery. They estimate production in the years 1944 to 1950 inclusive totalling about 36,626,860 bbl., including 33,626,890 bbl. of crude oil, 560,000 bbl. of naphtha and 1,919,833 bbl. of absorption plant gasoline. Of this total, the company estimates that about 30,870,425 bbl. will be transported over the pipeline, the balance being delivered to Turner Valley and to other plants by other means. The estimated pipeline throughout for 1944 is 8,207,200 bbl.; 1945, 7,540,800 bbl.; 1946, 5,480,475 bbl.; 1947, 3,708,080 bbl.; 1948, 2,522,595 bbl.; 1949, 1,894,805 bbl.; 1950, 1,466,385 bbl.

Describing the Valley Pipeline estimates as "gloomy pessimism," the Alberta Government counsel J. J. Frawley K.C. declared that some 71,616,564 bbl. (more than double the Valley Pipeline estimate) remains to be pumped through the pipeline system. Mr. Frawley's figure is based on the evidence given by Dr. B. B. Boatright, Texas petroleum engineer who appeared as a witness for the government.

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THE FINANCIAL POST

Que. Gold Mine Output Given

Reporting Quebec gold production of $35.6 millions for 1943 the Quebec Bureau of Mines has released the mine-by-mine production for various mining operations in that province.

Twenty-six mines contributed all but $23,446 of the 1943 output, tonnage and recovery figures being as follows:

Mine:	Tons milled	—Gold recovery— oz.	$
Aldermac	215,149	1,049	40,387
Beattie	306,500	29,855	1,149,417
Belleterre	110,640	41,760	1,607,760
Candn. Mal.	323,697	32,161	1,238,198
Cent. Cadil.	23,512	3,491	134,404
East Mal.	315,088	48,727	1,875,990
Francoeur	63,716	10,720	412,720
Golden Man.	304,602	11,821	455,108
Lamaque	269,535	77,112	2,968,812
Lapa Cad.	23,481	5,535	213,098
McWatters	38,603	4,869	187,457
Mal. G. Fds.	226,855	44,675	1,719,988
Mic-Mac	139,009	20,268	780,318
Noranda	1,833,623	268,718	10,345,643
Normetal	205,021	3,266	125,741
O'Brien	66,409	26,021	1,001,808
Perron	117,060	30,089	1,158,427
Powell Rn.	266,072	34,516	1,328,866
Senator-Rn.	96,068	14,504	558,404
Sigma	336,101	64,773	2,493,760
Siscoe Gold	357,296	41,801	1,609,338
Sladen	223,542	21,310	820,435
Stadacona	137,662	22,517	866,905
Sullivan	150,933	38,524	1,483,174
Waite Am.	641,340	14,438	555,863
West Mal.	93,340	11,282	434,357

From the figures above, it will be noted that Noranda continued by far the largest gold producer in 1943 with Lamaque and Sigma in second and third places, respectively.

Three of the mines listed are no longer in production. Aldermac, suspended production at its mine, but has a new one in the Sherbrooke area which it is planned to place in regular production. Other producers which have suspended are Central Cadillac and Lapa Cadillac.

Gold production in Quebec in December was the lowest since June, 1938. The following production changes were noted for all 1943; gold down 15%; silver up 33%; clay products down 5%; lime up 10%; and cement down 24%.

Jason Mines Limited

Gold Mine, 987 Acres, Patricia District

Production began June 16, 1940, with a 150-ton mill. Recovery up to Oct. 15, 1942, amounted to $1,701,894 from 104,083 tons of ore. During this period excellent earning power was recorded by the Company, namely, paying off $185,000.00 of debt owing when milling started, dividends amounting to $120,000.00 were paid to shareholders and at the present time, net current assets amount to $272,000.00.

In October, 1942, Company had ore reserves of 45,788 tons of $16.13 per ton average. With an acute labour shortage prevailing, the Management decided to temporarily close the operation and maintain a healthy position until this condition was rectified. This situation appears to be clearing and the Company is contemplating resumption of operations in the near future.

SUBSIDIARY—December 31, 1942, Jason Mines Ltd. held 1,949,995 shares of The Twin "J" Mines Ltd. (65% Interest), a copper, zinc and gold producer, 125-200 tons daily capacity, situated on Vancouver Island, B.C. Total output contracted for.

MARKET OPINION—The Company has good Management and in view of the above record, the shares of Jason Mines Limited, listed on The Toronto Stock Exchange, are an attractive speculation at present prices.

BAIN, NEWLING & CO.
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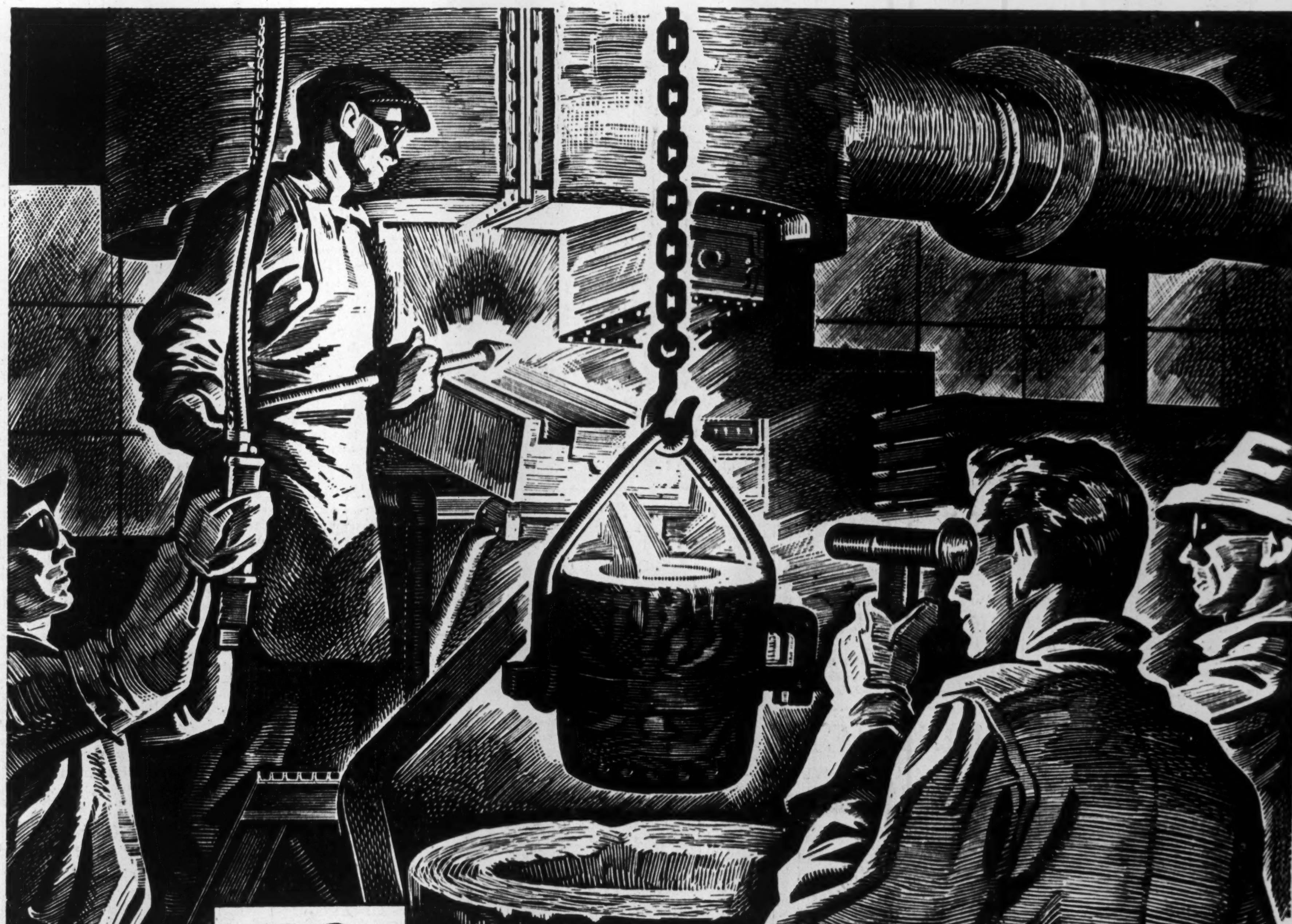
304 Bay Street Toronto AD. 4271



1921

New Markets FROM RESEARCH

NEW USES FOR NICKEL MEANT NEW JOBS IN CANADA

AT THE CLOSE of the last war, Nickel was no longer needed to build battleships and artillery. The demand for Canadian Nickel fell off sharply. Soon the Canadian Nickel mines had to close down.

But the men who managed these properties could foresee possible new markets for Canadian Nickel in the growing automobile, electric, radio, chemical and other industries. They organized a Research and Development department to work with engineers in these industries, and to promote the use of Nickel and its alloys wherever better materials were required.

Shortly, operations were resumed. In 1924, the Nickel industry opened a new mine. In 1926 it began enlarging its smelting and refining plants. Within a decade it was paying out 15 millions of dollars a year in Canada for wages.

Although the entire output of Canadian Nickel is today diverted to war uses, this industry has definite plans for the post-war period.

Then it will turn again to its peacetime markets, and will proceed to develop new markets based on research now in progress. Through its own enterprise, the Canadian Nickel industry plans still greater contributions to Canada's prosperity.

INCO NICKEL MONEL

Canadian Nickel
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In Your Opinion—

What Should Coming Imperial Conference Discuss?

The Question: What are the chief problems that you would like to see discussed at the forthcoming Imperial Conference?

Dr. T. H. Cuddy

National president, Native Sons of Canada, Winnipeg.

1. The autonomy of the Dominions in the British Commonwealth of Nations. Each member should determine its own external affairs, foreign policy and immigration.

2. An active war council with provisions for distinctive fighting units and air force. We should not submerge our identity as Canada needs the tradition of its fighting forces.

3. Taking our place as an active nation, not isolationists nor separationists.

4. Unity and co-operation, and at least we should be consulted and not be held responsible for treaties of other members to which we are not a party.

5. Closer co-operation with the United States of America.

• • •

Garnet Coulter

Mayor, Winnipeg.

The dominant matter which should be explored is the best method by which the elements of the British Commonwealth can give a lead in devising and operating a workable plan to protect small nations and to avoid the repetition of war.

It is important also that common policies should be framed to meet rehabilitation problems such as the supply of food and material to devastated countries and the placement of uprooted elements in the European populations.

• • •

G. B. Coyne

Manager, Standard Life Assurance Co., Toronto.

The big problems today are how to organize the world for peace and prosperity. The chief subjects for the Imperial Conference should be how the Empire nations can best promote satisfactory solutions. These solutions will themselves be the starting points for the related Empire problems of possible changes in the organization and methods of co-operation of the nations within the Empire.

If — notwithstanding the manifest desire of the people of the peace-loving nations that power politics shall go—the reactionaries succeed in continuing the old war-tending setup, we may yet find the Smuts and Halifax proposals the necessary subjects of the Imperial Conference.

• • •

Mrs. Cameron E. Dow

President, Federated Women's Institutes of Canada, Port Daniel West, Quebec.

I would urge that heed be given to the voice of women rural and urban when drafting peace terms and planning the postwar world. Through closest collaboration within the Empire family and greater friendship with neighbor nations I would ask for the development of an international organization to preserve democracy and provide political security for all, particularly primary producers, farmers, fishermen, miners, etc.

A planned distribution of mankind would facilitate adequate feeding and housing and would render education on health services more easily available to humanity.

I would ask initiation of an Empire wide campaign to eradicate venereal diseases.

• • •

Dr. J. D. Detwiler

President, Canadian Conservation Ass'n, and on the staff of University of Western Ontario, London.

1. The social, economic and the political potentiality and probability of the USSR, the United States, China and the British Empire (a) as co-operative world powers (b) as possible entities in competition.

2. The futility of Great Britain and the Dominion trying to play a part in the postwar world as entities or hangers-on with other world powers.

3. The co-ordination and integration of British Empire relations so as to ensure the continued quadrilateral contribution that has characterized this war.

4. The safeguarding of the intangible forces that have held the British Empire together.

5. The significance of British Empire dissentients minorities.

6. British Empire education.

• • •

L. E. Drummond

Secretary and manager, Alberta and North West Chamber of Mines and Resources, Edmonton.

The mining fraternity are hoping that the Imperial Conference may explore and find some means of stimulating the development of natural resources within the Empire for the employment and rehabilitation of men now in the armed forces together with those in the war industries. They also hope that the gold mining industry be again returned to its former stability and that a careful study be made of those war industries which could be adapted to a postwar economy.

• • •

John E. Hammell

President, Pickle Crow Gold Mines and well-known mining financier, Toronto.

I think that the most important is the question of closer relations between the nations of the British Commonwealth. If the recent speech delivered by Lord Halifax has done nothing more than compel us to think of this problem, it was well timed and opportune.

We in Canada must recognize the bald fact that we are not big enough to stand alone in the modern world. We must look for protection to the British Empire or to the United States. That surely is the dominant fact in our existence. Without such protection, a couple of Japanese could come over in a canoe and take our country from us.

The slogan "No Commitments" is ideal but impractical. If we are to plan our future, we must make commitments. The alternative is to drift with events and be compelled to act when a crisis arises without exercising our free will.

The isolationist view of our French Canadians fills me with pity for them. I do not condemn them because they are the chief victims of their own erroneous education. A country with a population of less than 12 millions is not strong enough to afford the luxury of isolation.

It is to be regretted at this time that we have not a national Government. How much better it would be if our delegation to the Imperial Conference were composed of representatives of all our political parties, so that decisions could be made from the point of view of loyalty to Canada without any regard to the effect on the ballot boxes. As it is obvious such a delegation is not possible at the present time, I can only hope that our Prime Minister and his fellow delegates will approach all the questions to be discussed from a truly Canadian point of view, without regard to any particular sectional interest.

• • •

F. P. L. Lane

Vice-president, Imperial Tobacco Co., Montreal, and president, Canadian Manufacturers' Ass'n.

The conference should discuss chiefly the continued study and application of plans and methods of carrying on the war with the greatest possible vigor and success. Other subjects might be the essentials of the peace treaty and the means and powers of enforcing its terms; the relief of countries devastated by war; immigration and emigration; finance, communications and trade.

• • •

W. J. LeClair

Secretary, manager, Canadian Lumbermen's Ass'n, Ottawa.

It is vitally important to Canadian economy that the forthcoming Imperial Conference consider ways of ensuring a fair share of postwar markets for Canadian lumber. Canadian prosperity is predicated on a successful forest products industry. More than 50% of Canadian lumber is exported chiefly to the United Kingdom and United States, but to some extent all over the world Canada suffers a freight handicap by her geographic position.

I consider that it is highly important that a free flow of lumber should be assured between Canada and the U. S. A., and that other international trade agreements safeguard Canada's lumber export trade. The effect of the removal of Canadian freight handicap in competition for world markets ought to be a consideration of any agreement on disposal of wartime shipping.

• • •

K. W. Neatby

President, Canadian Society of Technical Agriculturists, and director, North West Line Elevators Ass'n, Winnipeg.

1. A general review of our part in the United Nations war effort and an examination of ways and means whereby our role may be made even more effective.

2. A study of postwar reconstruction within Empire countries in relation to our part in rehabilitating devastated areas including what is now enemy territory.

3. Political and economic relations between members of the British Commonwealth. Reinforcement of empire ties will surely do little for permanent peace unless, at the same time, we are drawn more closely to other members of the United Nations. We cannot protect ourselves or help others by creating an Empire oyster.

• • •

Hon. W. J. Patterson

Premier of Saskatchewan.

Imperial Conference should consider:

1. Greatest possible unification and effective use of war effort of constituent commonwealths in co-operation with other United Nations.

2. Their place in postwar world both individually and as British Commonwealth Nations.

• • •

Hon. N. M. Paterson

Member of the Canadian Senate, and prominent in Fort William industrial and financial circles.

My own personal opinion is that the most important thing at the conference is the determining of the responsibility of each country in relation to how large a standing army, navy and air force it will be necessary for Canada to keep up, and how quickly we can be prepared to reduce taxes and get on a peacetime basis.

The next thing will be to determine our policy in regard to foreign trade with full discussion on how far we can lower our tariffs compatible with domestic employment, and having in view the necessity of our depending on foreign markets for our surplus agricultural products.

• • •

W. J. Rowe

President, Canadian Weekly Newspapers Ass'n, and editor, Western Canadian, Manitou, Man.

1. Greater and closer unity of component parts of the Empire for future peace, security and maintenance of our world influence and ideals of democracy. I favor a consultative body on defense particularly.

2. Immigration of Europeans to Canada — I favor the selective principle.

3. Aviation—I favor the Empire system allowing bases privileges to foreign countries.

4. Freer trade relations within the Empire only retaining our domestic tariff principles.

5. Reparations.

F. W. Storey

Mayor, Moncton, N.B.

I do not feel qualified to suggest preference as to the items for discussion by the Imperial Conference. It seems to me that unless one is familiar with the definite problems confronting the various governmental departments in their dealings with other parts of the Commonwealth on behalf of Canadians he cannot possibly have a proper perspective with respect to any of them, and should not, I think, express his views publicly on such problems unless or until he is in possession of all facts and details. The Government, upon the advice of its employed specialists, is, in my opinion, the only Canadian authority sufficiently enlightened to advise and act in such matters.

• • •

F. W. Turnbull

Well-known lawyer and former Conservative M.P. for Regina, Sask.

The Imperial Conference should discuss the question of whether the Commonwealth is to operate as a partnership of nations or as individual small nations expressing differing views in international councils upon issues affecting the Commonwealth. If the United Kingdom is willing to act as a partner, Canada could do the same without sacrificing national independence or dignity. World welfare requires united support.

Canada requires import of British industry based on natural resources, abundant cheap power, excess of peacetime requirements in industrial plants and proximity to chief raw materials and important markets.

Selective immigration of persons and industry should also be discussed.

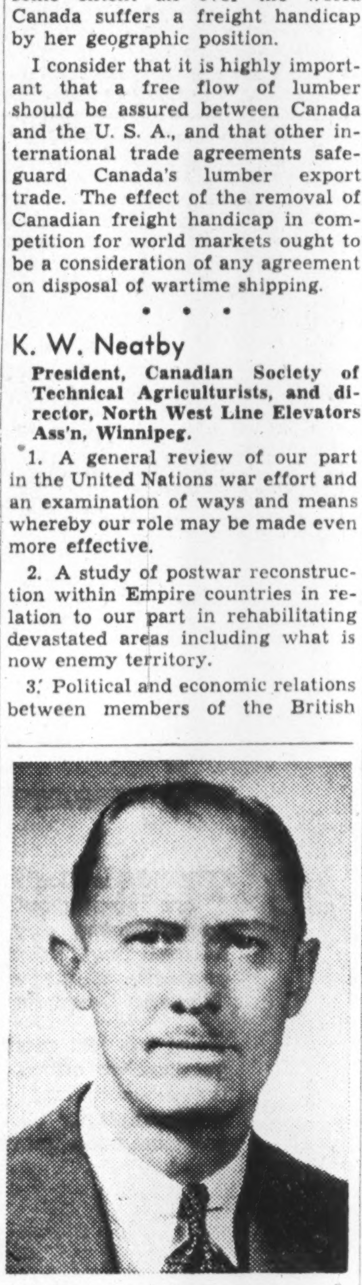
• • •

F. M. Sclanders

Secretary, Maritime and Saint John Boards of Trade, Saint John, N.B.

In my sincere opinion the vital matter for the forthcoming Imperial Conference is to grasp a most logical opportunity to strengthen the solidarity of our Empire in all its splendid meaning and influence upon Christian civilization in directions fair, faithful and worthy of the best traditions of our race.

This should be done so that we may work hand in hand with our allies and throughout let no narrow, self-seeking destroy the confidence of friendly countries and the influence of our sacred heritage, history and tradition. But for real achievement a still stronger Empire solidarity is the first step. We ourselves must be united. Therefore, let us cease to quibble over severance from the Motherland in affairs of state. Surely we have never found our imperial connection irksome or unfair. May I point to the fact that the first name of our great allies is "United."



SALES HEAD

Norman J. Sims has been appointed manager of the General Sales Department of the RCA Victor Company Limited, Montreal. Mr. Sims joined the staff of RCA Victor in 1927 and from 1936 up to the date of this promotion was manager of the Toronto District Office.

Saskatchewan Warns Against Racketeers

A warning to the Saskatchewan public to beware of high-pressure stock salesmen, particularly those who advocate that Victory Bonds and certificates be surrendered for highly speculative securities, has been voiced by Attorney-General J. W. Estey of Saskatchewan. He said:

"The protection provided by law in Saskatchewan, I believe, goes as far as any other province in the Dominion." But, he pointed out, it remains with the individual to be careful in dealings in speculative securities.

"There are many reliable established firms in Saskatchewan which can be consulted by those desiring to deal in securities or purchase new securities," the Attorney-General pointed out.

Point to Eastern Canada

He drew attention to reports such as have appeared in The Financial Post, warning that high-pressure stock salesmen are currently very busy.

The Attorney-General's warning was welcomed by responsible financial men in the province, the Regina Leader-Post reported.

"Generally, if an investment is sound it does not have to be made immediately," the Leader-Post quoted. "The time required to investigate and make sure it is sound will not make it less attractive or profitable. Rarely indeed is there any need for hurry. The opportunity should be available several days later if it is actually a 'good thing'."

"It is not uncommon for high-pressure stock racketeers to travel by automobile in pairs throughout the prairies," the Leader-Post reports. "They will expect 'easy pickings' in Saskatchewan because of the increased prices now being paid farmers for their grain and livestock."

Under an amendment to the Saskatchewan Securities Frauds Prevention Act passed in 1942, it is illegal for a stock salesman to call at any residence and trade in any security with the public or any member of the public. The amendment does not apply to the sale of bonds of any government in Canada or Great Britain or of any municipality or other incorporated body in Canada which is empowered by statute to obtain money necessary for payment of interest and redemption of bonds by public taxation. The sale of units in a mining syndicate with a capital of not more than $35,000 by a bona fide prospector who has a substantial interest in the syndicate is also exempt.

The amendment also provides that no broker or salesman can make any representation written or oral that he or any other person or company will resell or repurchase, list, or make application to list upon any stock exchange or refund all or any of them purchase price of any security offered for sale by the broker or salesman or give any guarantee relating thereto.

Bralorne Mines contract for sale of mercury has not been affected by recent announcement that United States contracts for purchase of mercury are being cancelled as of Jan. 31, 1944. Bralorne officials report that no change has been made in the original sales arrangement.

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. . . Kiss in the Dark!

He's about as sentimental . . . this fighter pilot . . . as a steel knife!

He reverently kissed his bullet-raked fighter plane when he landed her before dawn today. It was a kiss in the dark, but he wasn't hiding anything. Plenty of guys saw and heard it. They didn't smile!

This tough-souled fighter pilot probably doesn't give an academic hang for the airplane industry's size. But he's supremely concerned with his plane's performance and the steady output of its power-plant. *And equally vital today is the steady flow of power from the power-plants of factories that build the warplanes he needs.*

In several plane factories, the skilled inspection engineers—The Trouble Finders—of the 69 year-old Boiler Inspection Company are helping to maintain this flow of power . . . by relentlessly seeking to detect hidden flaws and prevent disastrous accidents in boilers, pressure vessels, electrical and other equipment . . . before it is too late!

Ask your insurance agent or broker to discuss a Boiler Inspection policy. You will see, then, why more than half of all the premiums paid to the 23 companies writing engineering insurance in Canada are paid to The Boiler Inspection Company alone.

Covers: Boilers — Pressure Vessels — Steam, Gas and Diesel Engines — Turbines — Electrical Equipment.

The Boiler Inspection and Insurance Co. of Canada
THE NINTH FLOOR
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Company Reports

St. Lawrence Paper

(Year Ended Dec. 31)

	1943	1942
Net profits	$506,432	$514,998
Earned on preferred ..	3.89	3.74
Paid on preferred ...	3.00	3.75
Working capital	4,207,418	3,732,086

(Comparative 1942 figures in brackets)

Earnings of St. Lawrence Paper Mills for 1943 were on practically the same level as in 1942, total income amounting to $1,518,155 ($1,602,855). Because of lower provisions for income tax $240,000 ($300,000) net available on the preferred gained a little.

Financially the company position improved last year. Cash and government securities totalled $1,637,169 ($1,419,276). Receivables, inventories and other items showed little change. Among liabilities outstanding preferred dropped to $13,000,000 ($13,556,000).

Lake St. John Power

(Year Ended Dec. 31)

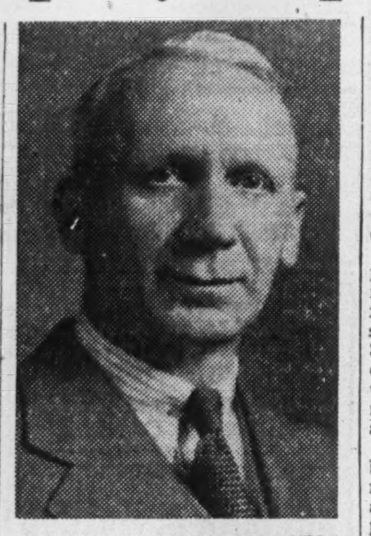
	1943	1942
Net profit	$185,987	$124,980
Earned on common ...	$0.78	$0.17
Working capital	3,073,943	2,560,731

(Comparative 1942 figures bracketed)

Lake St. John Power & Paper Co. reported an all-round improvement in earnings and finances during 1943. Operating profits totalled $1,491,729 ($1,259,157). Income tax provision amounted to $300,000 ($120,000) leaving net profit sufficient to pay the full dividend on the preferred, with a small balance for the common.

Balance sheets shows cash and government bonds aggregating $841,000 ($499,000). Holdings of company bonds and debentures stood at $175,189 ($45,169). Funded debt dropped to $8,622,000 (9,824,100).

A. Stewart McNichols, president, reports negotiations have been carried on for the funding of the Hearst notes ($1,032,324) and the issue of new interest bearing notes with an annual sinking fund sufficient to retire all notes within a reasonable period.



BECOMES SALES MANAGER

G. A. Harris, formerly manager of the appliance division of Canadian General Electric Co. Ltd., has been named sales manager of the company's supply department. Mr. Harris has been associated with C.G.E. for over 25 years. He is on the main advisory committee appointed by Mr. Donald Gordon, WPTB chairman, to advise the government in regard to the appliance industry.

Asbestos Corp.

(Year Ended Dec. 31)

	1943 $	1942 $
Net profit	857,410	919,624
Earned per share	1.43	1.53
Paid per share*	1.30	1.40
Working capital	3,961,223	3,492,937

* Including extras.
(Comparative 1942 figures bracketed)

Asbestos Corp. reports a total income in 1943 of $1,679,054 ($2,160,639). The maintenance of net income comes about largely through smaller reserve for depreciation, $284,619 ($407,928); tax provision $430,000 ($560,000) and the elimination of the general reserve which in 1942 totalled $150,000.

Liquid position of the company was strengthened with cash and government securities totalling $2,584,481 ($1,807,728). Inventories now amount to $1,220,452 ($1,512,856). Capital stock stands at $5,512,713 ($2,909,142), the difference arising out of revaluation of properties approved by the shareholders last January.

Reviewing the year R. W. Steele, president, stated the market for asbestos continued strong, especially for spinning grades, but in the latter months there was a noticeable demand for shingle grades due to a decrease in the manufacture of various building products.

Brompton

(Year Ended Dec. 31)

	1943 $	1942 $
Net profit	300,859	484,692
Earned per share ...	1.00	1.62
Paid per share	1.00	1.50
Working capital ...	4,073,311	3,546,166

(Comparative 1942 figures bracketed)

Though operations were at capacity, increased operating expenses reduced Brompton Pulp & Paper Co.'s 1943 net revenue to $1,005,299 ($1,521,248). Production totalled 118,317 tons (114,466 tons). Gain last year was in woodpulp, output of kraft board and newsprint being lower.

The balance sheet reveals an improved position. Cash and investments totalled $1,729,742 ($1,349,034). Inventories were maintained while accounts receivable were down moderately. Debenture stock was reduced to $425,976 ($487,412).

In his report Arthur F. White, president, stated the company sold its interest in Claremont Paper Co. for $489,500 in cash. This investment stood in the company's books at $741,349 and the loss of $251,849 was deducted from earned surplus. Sale was due to the fact that Brompton no longer relied upon Claremont as a source of pulp.

Mr. White said Nipigon Corp. was being operated by Brompton and the rent paid was sufficient to provide adequate depreciation. The mill is providing a satisfactory profit.

Dominion Oilcloth

(Year Ended October 31)

	1943	1942
Net Profit	$1,177,669	$1,305,593
Earned on Common .	$1.68	$1.86
Paid on Common ..	1.60	1.60
Paid on deferred ..	0.74	1.60
Working Capital ...	3,763,887	3,303,162

(Comparative 1942 figures bracketed.)

Dominion Oilcloth and Linoleum Co. for the 1943 fiscal year reported an operating profit of $1,759,424 ($2,014,607). Volume of business continued at a high rate, particularly in the production of war materials, which accounted for 66% of sales.

Balance sheet position of the company continues to show considerable strength. Cash and treasury bills together totalled $2,347,350 ($2,538,117). Inventories aggregated $1,618,506 ($1,771,756).

In his report A. F. Baillie, president, said that government requirements have passed a peak. Raw materials for the production of linoleum and other peacetime products were available in limited quantities only.

Catelli Food

(Year Ended November 30)

	1943	1942
Net Profit	$84,305	$82,292
Earned on Common ..	$1.21	$1.17
Paid on common	25c.	...
Working Capital	$241,113	$104,109

(Comparative 1942 figures bracketed.)

Catelli Food Products reports an operating profit in the 1943 fiscal year of $287,950 ($233,009). Reflecting reopening of the Vancouver and Montreal canning plants in November, inventories were increased to $283,229 ($175,817). Despite this expansion $43,850 of victory bonds were added to the investment portfolio, with combined cash and marketable securities raised to $152,214 ($106,425), while bank loans and call loans were reduced to $200,000 ($263,000).

According to Aime Geoffrion, president, increased domestic demand for macaroni and noodles necessitated an improvement in manufacturing facilities at a cost of $76,000.

St. Lawrence Corp.

(Year ended Dec. 31)

	1943 $	1942 $
Net profit	282,144	431,562
Earned on "A" stock	98c	1.50
Paid on "A" stock ...	1.00	1.50

(Comparative 1942 figures bracketed)

Reduction in dividend paid by Brompton from $1.50 to $1 a share, reduced revenues of St. Lawrence Corp. to $298,273 ($447,348). After payment of the reduced dividend on the "A" stock, there was a deficit of $6,049 ($1,029).

During the year the company increased its holdings of St. Lawrence Paper Mills common stock by 362 shares and those of Brompton common by 22. The company also has an interest in Lake St. John Power and Paper.

Bruck Silk Mills

(Year Ended Oct. 31)

	1943 $	1942 $
Net profit	150,329	186,489
Earned per share ...	1.20	1.49
Paid per share	0.40	0.40
Working capital	1,235,335	1,055,581

(Comparative 1942 figures bracketed)

Bruck Silk Mills Ltd. in the year ended Oct. 31 last had a total income of $1,031,758 ($1,234,835). Moderate increase in volume of sales was offset by reduced margins, resulting in lower profits.

Net working capital at the end of last fiscal year set a new high. Cash and government bond holdings totalled $160,707 ($108,699). Inventories increased to $1,307,756 ($1,060,167). There was a small reduction in funded debt to $382,000.

Quebec Power

(Year Ended Dec. 31)

	1943 $	1942 $
Net profit	572,164	577,679
Earned per share ..	1.03	1.04
Paid per share	1.00	1.00
Working capital ...	1,023,567	785,051

(Comparative 1942 figures bracketed)

Quebec Power Co.'s operations and revenues in 1943 were maintained on practically the same basis as in 1942. Gross income totalled $4,029,945 ($4,064,374). These returns were after providing for the special rebate on certain power bills ordered by the Public Service Board.

The balance sheet shows an increase in cash and marketable securities to $1,308,201 ($1,110,006). Stores, etc., and accounts receivable were lower, as also were accounts payable. Bonded debt now stands at $12,036,500 ($12,164,500).

York Knit Issue Oversubscribed

Issue of York Knitting Mills $1,250,000 First Mortgage and Sinking Fund bonds, Series A, due serially 1945-1964, is reported oversubscribed in subject advance offering.

Proceeds of the issue will be employed to retire $700,000 First Mortgage bonds, Series A, due Aug. 1, 1945, and effect an increase of $550,000 in the company's working capital.

Harrison & Co., sponsors of the new issue, state that York Knitting assets amount to $2,850 per $1,000 bond and current assets approximately $1,750 per bond.

Sarnia Bridge Co. new common shares have been called for trading on the Montreal Curb Market. The listing covers 41,000 shares of no par value. Under the reorganization plan three new shares were given in exchange for each old Class "A" share, while one new share was issued for each three class "B" shares held.

War Workers— Plant Layoffs

Toronto.—100 workers to be laid off as result of immediate closing of a large dehydration plant in the Toronto area which has been processing potatoes for the Canadian army overseas. According to M. M. Robinson, director of the Ontario Feed Distribution Council, the layoff results from a shortage of potatoes.

• • •

Aircraft Repair Ltd., Edmonton: 300 being laid off of the 2,300 employees at one of the largest overhaul plants in Canada, the Edmonton Journal reports, because of slackening of work due to closing of certain adjacent air training schools whose machines this company used to repair.

Employees affected include younger men, now being called up, and older men who can be transferred to other overhaul plants in the Dominion where work is available.

About 150 of the 300 have already applied for enlistment at HMCS "Nonsuch" as stokers second class and first class and as motor mechanics. A number have joined the Air Force.

• • •

Bechtel-Price-Callahan, Edmonton: 100 shortly to be laid off in staff reduction move as northern contracts reach completion. Work on the Canol pipeline from Norman Wells to Whitehorse is said to be in the final stages.

• • •

West Coast Shipbuilders and **Hamilton Bridge (Western) Ltd.**, both of Vancouver, B. C.: About 1,000 men to be laid off between March 1 and July 1. Shipbuilders, however, predict that normal layoffs during the period can be reabsorbed immediately by the industry in general, according to report of Vancouver Sun.

The layoffs will follow completion of the tanker program shortly, but will be carried out gradually, it is said.

It is understood yard strength at the Burrard South dock "will probably rise a few hundred" by July, while Burrard North will follow suit as repair and outfitting work continues.

• • •

Sitka Spruce Co., Vancouver: All women employees here gradually being laid off owing to certain contracts not being renewed because of completion of portions of Canada's training plane program. Men, however, are being transferred to other work in the plant. Work on unfinished contracts will be continued.

Have a Coca-Cola = What's the good word?

...or how to get along with folks

Your Canadian soldier carries the keys to comradeship wherever he goes. *Have a "Coke"*, says he to the eager youngsters at home, and it's like saying, *What's the good word?* It's a phrase that's understood in Wales or Winnipeg, at home or in far-off places. Around the world Coca-Cola stands for *the pause that refreshes*—has become the gesture of good will, saying *Let's be friends.*

It's natural for popular names to acquire friendly abbreviations. That's why you hear Coca-Cola called "Coke".

THE COCA-COLA COMPANY OF CANADA, LIMITED

581

Mining Concentrates

Bear Exploration and Radium shareholders will be asked to approve an increase in authorized capital from four to five million shares to allow new financing and acquisition of assets of Yellowknife Gold Mines at a special meeting at the King Edward Hotel, Toronto, 10 a.m. Mar. 7. Assets to be purchased include the Giant Yellowknife and Yellowrex holdings and undeveloped properties in the Yellowknife area. Bear will issue 386,000 shares in ratio of one Bear to two Yellowknife Gold. It is stated that Globe Investments is to purchase 200,000 of the new shares at 40 cents a share subject to the prior right of Bear shareholders to subscribe to one new share for each 20 held. In addition, options will be given to Globe Investments on 414,000 shares, a third at 50 cents, a third at 60 cents and a third at 70 cents.

• • •

Bidgood Kirkland January production was only $32,652 from 4,281 tons of ore milled, the lowest report for any month for more than a year. Decline in output, officials state, is due to retimbering in two good stopes; conditions are expected to change for the better in a few weeks.

• • •

Electra Porcupine Mines reports that diamond drilling is to be resumed within a few days.

• • •

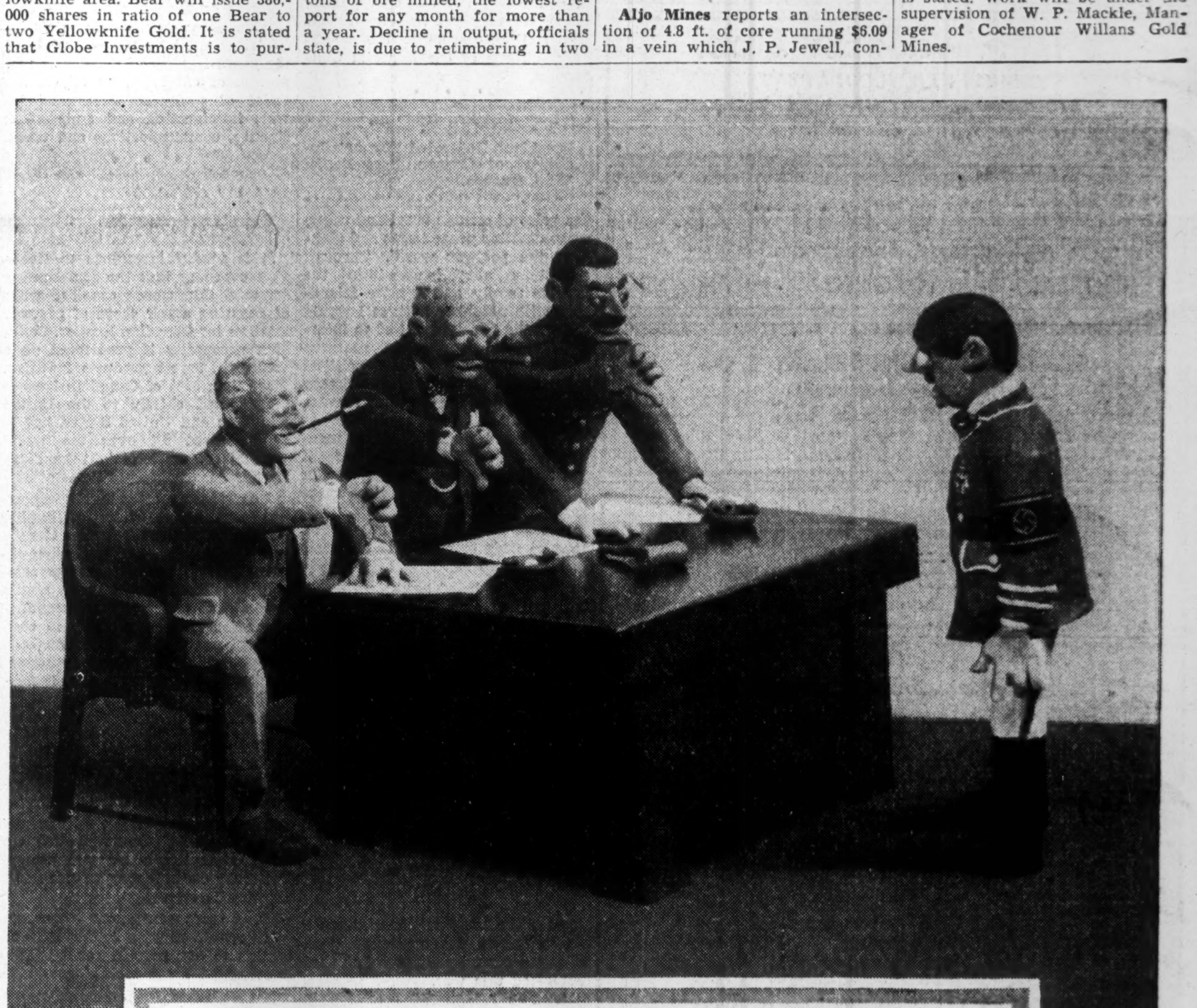
Anglo-Rouyn Mines announces officially that diamond drilling is to be resumed at its Pontiac property north of Powell Rouyn Gold Mines. A shaft was sunk in previous work with considerable underground exploration.

• • •

Aljo Mines reports an intersection of 4.8 ft. of core running $6.09 in a vein which J. P. Jewell, consulting geologist, says is in formation not unlike veins mined in the Porcupine area. Another hole has been started 100 ft. to the west. The property is located in the Beatty-Munro area.

• • •

McCuaig Red Lake Gold Mines is stated to have let a contract for diamond drilling its property in the Red Lake area. The first hole is to be put down close to the boundary with McKenzie Red Lake with a view to cutting deeper formation, it is stated. Work will be under the supervision of W. P. Mackle, Manager of Cochenour Willans Gold Mines.



It's "Thumbs Down" for Schicklgruber!

Modelled by Winslow Mortimer

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Prince Edward Island	95,047	5,049	14,541	19,590	6,934
New Brunswick	457,401	31,378	62,101	93,479	32,135
Quebec	3,331,882	435,127	212,727	647,854	316,179
Ontario	3,787,655	569,742	332,549	902,291	518,900
Manitoba	729,744	79,611	85,638	165,249	88,950
Saskatchewan	895,992	67,894	122,243	190,137	92,186
Alberta	796,169	74,281	101,463	175,744	118,255
British Columbia ...	817,861	112,036	86,326	198,362	137,060
Miscellaneous	—	—	—	—	53,729
TOTAL	11,489,713	1,433,134	1,083,592	2,516,726	1,417,888

*Yukon and Northwest Territories not included pending D.B.S. figures.

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Quebec's Role in Canada's Destiny

French Canada Facing Decision That May Affect Dominion for Generations to Come

By JOHN E. LANGDON

This may be a year when the people of Quebec will make a decision which will determine the relations of the province and its people to the rest of Canada for generations to come.

The last four and a half years have brought many changes. The biggest change of all is in the making, for the provincial election this year will give some indication of whether Quebec is to go forward as a full-fledged partner of Confederation or will align itself under the banner of nationalism and all that it implies to national unity.

Three forces are at work in shaping Quebec's destiny. There is the group, headed by Premier Godbout, which believes that Quebec for her own good must continue as part of the Dominion, effecting such reforms within the existing structure as will bring her to the goal she seeks.

There is a second and what may be described as a reactionary group. Its members live in the past, speak of tradition and culture, and fight strenuously every change designed to give the Quebecker a larger life.

Lastly, there is the group of nationalists and ultra-nationalists. They speak of Quebec for the French Canadians; hold out the lure, and it is a strong one, that by some miracle as yet unexplained, French Canadians can achieve whatever they want by drawing in upon themselves. Their preachings are considered to have done more to pull Quebec away from the rest of the Dominion than any other cause.

Education and Economics

There are two main courses along which Quebec is moving to secure equality with the other provinces — education and economics. Some of the developments in these fields over the past year or two, sponsored by the Godbout Government, have elicited both approval and dismay to those who would see Quebec work out its own future within the framework of Confederation.

It is an open secret that the educational program in Quebec is antiquated in that it fails to train the young French Canadian to take his place in business and industry. The present system provides an excellent classical education, but almost wholly neglects the teaching of science or commerce.

Need For Education

Out of the failure to prepare the young French Canadian to earn a living arises one of the greatest grievances of the Quebecker —that the natural resources of the province are exploited by English-speaking and not French-speaking Canadians.

It is galling for the French Canadians to have to admit that their own people are not trained to assume such responsibilities as have been taken on by English-speaking residents of the province. Yet it is a fact that technically trained French Canadians are a minus quantity, even though every English company in the province is seeking such men.

Changes in Quebec's educational system involve reforms of a character which, to those outside the province, is difficult to understand. For over 300 years the teaching of Quebec youth has been in the hands of well-intentioned religious orders. By training and tradition few are qualified to provide the education which well serves the need of youth for an education which will equip him for economic success in the modern world. As a consequence there is deep-rooted and powerful opposition to changes.

Yet it is recognized by those who want the French Canadian to have a larger share in the development of the province's resources that technical and scientific training must be provided. Reforms are being effected but slowly in the regular schools, colleges and universities. However, the work has been speeded up by establishment of "arts and craft" schools, which correspond to the technical schools in other provinces, in the larger centres. Quebec youth are encouraged to take advantage of the courses offered; in fact, are even subsidized by the province to that end.

Many years will necessarily elapse before the value of these educational reforms become apparent. Meanwhile much is being done in other fields to bring Quebec standards up to those of other provinces.

Help Those on Hand

This is particularly the case in the agricultural industry. The present Government has been most active in furthering the interests of the farm population. Generous assistance is being given to new colonists. Established farmers are advanced loans at low interest to improve their building, livestock, or to buy equipment.

Considerable progress has been made in improving the quality and grading of farm products. Co-operative associations have been encouraged.

Farmers have been urged to greater diversification of operations. They have been encouraged to grow flax, while the Government has financed the capital outlay on processing plants.

Start New Industries

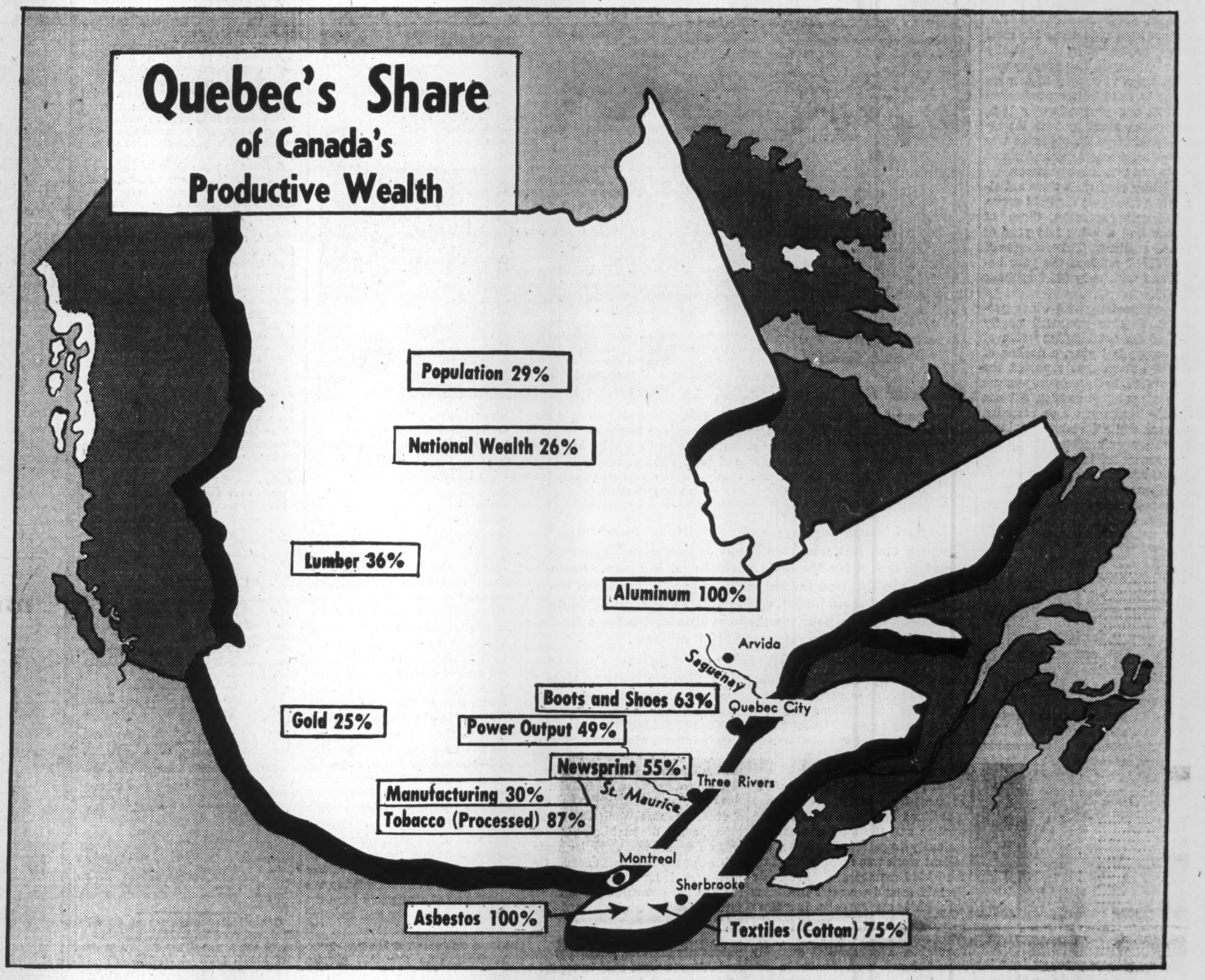
They have been assisted to start a sugar beet industry. Capital assistance has been given to a sugar beet factory, while arrangements have been made to make available at low rental the machinery necessary for the planting and cultivation of this crop.

The dairying industry has been helped in many ways. Maple sugar and syrup production has been put on a more advanced basis.

In the field of labor, many steps have been taken to improve the lot of the Quebec workman. Collective bargaining legislation has been put on the books. Workmen's compensation has been introduced on the same basis as in other provinces.

The Government has taken a direct interest in furthering exploitation of the province's natural resources and has set up a special department to that end. An inventory is being made of all resources, industries, etc., with a view to effecting greater industrialization. Special commercial agencies have been opened in Canada and the United States; after the war others will be established elsewhere.

Much more has been done to put Quebec on a parity with other provinces than is generally realized, even by French Canadians themselves. The results of this "promotional" work of recent years are becoming noticeable, though their full value will not be realized for several years.



Meanwhile the policy of giving the French Canadian a larger measure of economic autonomy has taken a new turn in the plan to set up a provincial hydro-electric system, the first stage being expropriation of the privately owned electrical utility in Montreal. Regarded as basically political in character, this move has nevertheless created a widespread feeling of uncertainty about the safety of capital invested in the province. There is little demand for expropriation within the area served by the company. Nor would nationalization of the property benefit other parts of the province. As a gesture to meeting the economic aspirations of that section of the population with nationalistic leanings, the move probably has political value. Whether this warrants jeopardizing the province's credit depends on several factors, not the least important of which are the terms arranged in settlement with the owners of the electrical utility.

There is a sincerity of purpose behind all these moves. It may well be that in the case of the provincial hydro-electric scheme the Government was ill-advised. But to those who believe that Quebec's future lies within the framework of Canada, and in this class may be put the majority of French Canadians, much of the groundwork has been laid to increase the stature of the Quebecker to a point where there is no feeling of inferiority with English-speaking Canadians in other parts of the Dominion. Whether these reforms go far enough in satisfying the newly awakened aspirations of the French Canadians will be determined when the provincial election takes place later in the year.

The people of Quebec realize that they cannot take their place in Canadian Confederation unless they rank as equals — equals in the economic as well as the political sense.

To achieve the goal of equality, two roads are open. One is to bring about needed reforms in an orderly way with the sympathetic understanding and encouragement of other parts of the Dominion; the other is the hard way—political and social upheaval.

There are 11½ million people in Canada, occupying one of the richest and most fertile areas in the world. Over eight million are held together by a common tongue and a more or less common tradition. The balance constitutes a solid group of French-speaking citizens, whose forefathers originally settled the country and whose culture and traditions tend to set them apart from the rest of Canada.

Both groups aspire to a greater Canada; a Canada where they can live and enjoy the Four Freedoms set out in the Atlantic Charter. There the common denominator ends, for a sharp divergence of opinion exists as to how this objective can be reached. It is this conflict of thought which constitutes a real threat to the continuing existence of a federated Canada.

The majority of Canadians — the eight million — blame the lack of unity on Quebec, but the three million people in Quebec think the fault rests with the others.

Both are right and yet both are wrong, but constant wrangling has tended to obscure the basic fact that Canada cannot get along without Quebec and, in turn, Quebec cannot get along without Canada.

To speak of the present threat to national unity as merely a "Quebec problem" denotes a lack of understanding. But because they are in a minority, it behooves the French Canadians to convince the rest of Canada of their sincerity and the justice of their claims.

This conflict of ideals between Quebec and the rest of Canada has been carefully nurtured by politicians and demagogues who place self-interest above those of their country. Others, well intentioned, have added to the difficulty through failure to appreciate or understand the underlying basic problems.

The French Canadian has not got all the right on his side. Nor has the English-speaking Canadian any corner on the virtues that go to make up the ideal citizen. Faults exist on both sides; faults which have their origin largely in ignorance, intolerance and religious bias.

Wartime conditions have put a heavy strain on Canadian unity. For more than four years the people have been under constant pressure. There is a more critical spirit; a tendency to make snap judgments, and shortened tempers.

Thus when a French-speaking member of the Quebec Legislature gets up in the House and says that this is an Imperial War or that Canadians are doing too much, English-speaking Canadians feel exasperated and even belligerent toward the whole French-speaking population.

Men of this type do not speak for Quebec; they speak only for a very small group. However, their utterances are widely publicized in the English press and the opinion created that all French Canadians are opposed to Canada's participation in this war.

This leads to a widely held belief that Quebeckers are shirking their part in the war. The figures on enlistments are quoted as substantiating evidence that French Canadians are failing in their duty. Even subscriptions to Victory Loans are held up as further proof of the French Canadians' failure to assume the full responsibilities of Canadian citizenship.

Critics of Quebec rarely consider that a whole generation of French Canadians have had drilled into them by politicians and others the belief they owe allegiance only to Canada; that wars in Europe and elsewhere are Imperial wars and, therefore, no concern of theirs; and that the "English" have used them as "hewers of wood and drawers of water."

This was the background when Canada entered this war. The Dominion was not wholly united. Remembering this, it might be considered all the more remarkable that Quebec has contributed so largely to the war effort.

On the score of enlistments, the relatively low number of French Canadians is attributed to several causes. A comparatively low health standard is one; inability of large numbers of rural youths to speak anything but French is another.

Men in the armed services is one phase of the war effort. On the industrial front it is a fact that a large percentage of Canada's output of ships, aircraft, guns, munitions, foodstuffs, textiles, essential metals or minerals like aluminum, copper, asbestos, etc., come from Quebec. This province also has made available to the sister province of Ontario a large block of hydro power.

As to investment in war bonds and savings, critics are apt to gloss over the fact that more than half of the people in Quebec have a very low cash income and are not in a position to compete with those in other provinces.

The foregoing is not intended to convey the impression that more Quebec youth might not be in the armed services; that the Quebeckers have subscribed all they possibly can to Victory Loans; or that industrially they have done all they might have to further the war. But an impartial examination of Quebec's contribution to the national effort leads to the conclusion that the province has not lagged as far behind other provinces as many have been led to believe.

Quebec leads all provinces in the production of hydro-electric power. These giant generators, typical of scores of plants along the Gatineau, Ottawa, St. Lawrence, Saguenay and other rivers, supply power to war and other vital industries in both Quebec and Ontario.

Jack and Jacques

Gallup Poll Delves Into Differences Between French and English-speaking Canadians

Out of the jigsaw puzzle of comment and observation offered to interviewers of the Canadian Institute of Public Opicion (Gallup Poll) emerges a picture of the average English and French Canadian.

Jack and Jacques Tweedles is the name of the twins whose opinions on such matters as war and international affairs, Canada's conduct of the war, conscription, health and social insurance, reveal more clearly than ever the cleavage existing between the two races in Canada.

A booklet embodying these results has been written by Wilfrid Sanders, editorial director of the Canadian Institute of Public Opinion, and published in the Live and Learn Series by the Ryerson Press, Toronto. It is entitled simply "Jack and Jacques," two composite figures representing the Gallup Poll findings.

Jack, the booklet points out, is three quarters British stock, with the remainder German, Scandinavian, Russian, Ukrainian and Italian.

Jacques' ancestry, of course, is all French.

The Tweedles — as a unit — are one third farmer, one quarter big city and the rest small town or village. They pay a little over $20 a month rent for their homes which on an average are worth $2,500. Income is about $1,400 a year, or $27 weekly.

In regard to the war, Jack is the more belligerent of the two. Jacques would have granted Italy a separate peace months ago, if she had sued for one, but Jack would have held off until Italy had been actually invaded and conquered.

The same split appears in the matter of bombing Axis civilians. Jack approves. Jacques is inclined to disapprove.

Jacques is convinced Canada would not be at war if she were not part of the British Empire; herein he differs sharply and fundamentally from Jack.

Both, however, appear to lack "that intangible generator of enthusiasm which at school is called a school yell, and in the army a battle cry. In other words, they have difficulty in explaining to themselves exactly what the war is all about . . ." says Mr. Sanders.

In regard to Canada's war effort, Jack is generally of the opinion we have not sacrificed enough, whereas Jacques thinks the effort is "about right," and is consistently opposed to compulsory service.

The two, it is shown, are in open conflict concerning national affairs. Jacques thinks Canada is "dependent" on Great Britain, not free to make her own international decisions. Jack, on the other hand, argues the opposite.

A cleavage exists between Jack and Jacques on almost every subject: a national flag, language, coalition government, etc.

Jacques "feels he hasn't had a fair deal in either business, politics, civil service, or in the matter of war industries. He is showing a tendency to support a purely Quebec party in federal politics. Jack, on the other hand, who, with Jacques elected a Liberal Government to office in 1940, with a fair-sized majority, is not so sure he would do it again, and is showing some inclination toward the left. Yet neither Jack nor Jacques want the Communist party legalized in Canada, or allowed to enter candidates in an election."

They differ completely on the matter of postwar immigration, Jacques wishing a "closed door" policy and Jack favoring selective immigration. Both, however, agree that after the war there should be complete free trade between Canada and the United States.

Farms Play Big Part

Do Full Share in Supplying Wartime Needs

Notwithstanding a scarcity of labor, farm implements and unfavorable weather, last year stands out as one of achievement and marked progress in Quebec Agriculture.

At the beginning of 1943 the National Conference on Agriculture set high objectives for most farm commodities, especially animal products. The country was called upon to supply 25% more bacon; to raise butter production by 10%; egg production by 15%, and poultry meat by 14%. As regards field crops the objective was to grow 8% more barley and mixed grains and 20% more potatoes.

Weather conditions were not altogether favorable for field crops, but despite setbacks those of Quebec had a value last year of $142.8 millions. This compared with $144.8 millions the year before and with only $92.7 millions in 1939.

In comparison with other provinces, Quebec produced nearly 14% of the total dollar value of field crops last year, a decline of only 1% from that reported the year before. In Ontario crop values were off as much as 20%. Alberta and Saskatchewan also recorded declines, while the other provinces reported a gain. The over-all decline amounted to 8%.

Quebec's position in respect to the other provinces in the value of field crops over the last two years follows:

VALUE OF FIELD CROPS
(Thousands of Dollars)

	1943	1942	% Gain
P. E. I.	$ 14,753	$ 14,406	+ 2
N. S.	18,649	16,473	+13
N. B.	39,890	30,320	+32
Que.	142,864	144,796	— 1
Ont.	175,431	219,874	—20
Man.	144,267	116,405	+24
Sask.	344,181	399,324	—14
Alta.	199,865	244,137	—18
B. C.	22,230	18,244	+22
Total	1,102,130	1,203,979	— 8

A breakdown of the returns, shows that hay and clover rank as the most important field crop grown in Quebec, accounting for over half of the total value. Next in importance is oats, followed by potatoes, mixed grains and fodder corn in the order named.

VALUE QUEBEC FIELD CROPS
(Thousands of Dollars)

	1943	1942	1941
Wheat	$ 510	$ 532	$ 490
Oats	25,266	26,302	26,483
Barley	2,780	2,783	2,675
Rye	166	165	194
Peas	1,196	1,511	1,224
Beans	603	676	645
Buckwheat	1,520	1,327	1,312
Mixed grains	5,544	6,014	3,656
Potatoes	16,652	17,441	15,032
Turnips, etc.	5,416	5,366	4,181
Hay and clover	75,973	76,079	69,751
Alfalfa	2,582	1,881	1,594
Fodder corn	4,656	4,719	4,170
Total	142,864	144,796	131,407

Many of these products form the base of the great dairy products industry which has built up within the province.

As a direct result of higher purchasing power, milk consumption in Quebec has gradually increased to the point where it represents 23% of the total production. While satisfying this greater demand, the butter output for the first seven months of 1943 recorded an increase of 19% over the like period of 1942. Production reached the record high figure of 83 million lb., or 14 million lb. over the previous year's output.

Cheese Output Off

While increasing butter production, cheese output suffered because of the more attractive price for the former. As a result cheese production dropped from 62 million to 46 million lb. in 1943, as compared with 1942. Since last October, however, the trend has been toward a better balance of dairy products.

In order to appreciate the tremendous growth which is taking place in Quebec's dairy products industry, it is necessary to examine the growth in production since 1939. At the outbreak of war Quebec's output of cheese totalled 35 million lb.; it rose to the record figure of 62 million lb. in 1942, thus enabling Canada to export to Great Britain larger quantities than required by contract. Concentrated and evaporated milk has developed from a mere 3% of the national production in 1939 to over 25% in 1943.

Ship Eggs Overseas

Notwithstanding a 32% increase in local egg consumption, Quebec has contributed a large measure to the shipment overseas of 40,000 crates of powdered eggs. This is mainly attributable to the good work of the 45 co-operative hatcheries that produce 83% of the six million chicks raised in 1943. Hen population has increased by 700,000 since the beginning of 1943 and with nine new plants, the outlook is considered promising. This spring it is estimated that about eight million chicks will be available.

Share In Bacon Trade

More than 350,000 hogs were sold to packers in 1943, compared with 277,000 in 1942. During the latter part of last year feed and grain deficiency, from western provinces, placed Quebec farmers in a predicament. Many were compelled to slaughter their hogs.

Quebec retains undisputed first rank as far as flax fibre is concerned. Production has jumped

General view at the United Shipyards, Montreal, where a steady stream of vessels is being turned out. To the uninformed the average shipyard looks like a tangled collection of plates, pipes and other things that go to make a ship, but careful investigation will indicate that these are piled in order and form what corresponds to the assembly line in any factory. All are numbered and ready for the crane to carry them to the building ship exactly when needed.

Notwithstanding a scarcity of labor, farm implements, etc., last year stands out as one of achievement and progress for Quebec's agricultural industry. Farm effort was directed toward meeting greatly increased demands for bacon, butter, eggs, poultry and meat. Despite setbacks due to poor weather conditions, Quebec's field crops in 1943 had a value of $142.8 millions.

from 4,000 acres in 1939 to 30,000 acres in 1943, an increase of 650%. In 1941 the province had only one flax processing mill; today there are 22 owned and operated by cooperative societies made up exclusively of growers.

Fruit and vegetable crops suffered most from inclement weather conditions last year. Yields were smaller and the quality was also seriously impaired. However, excellent work was accomplished by the 50,000 members of Cercles de Fermieres and women's institutes through home gardens. Increases of 50% were not uncommon and had growing conditions been more favorable, a substantial quantity would have been available for home consumption, canning, processing and export. However, some 80 canning factories operated throughout the season and a new dehydration plant started to process various vegetables for army needs last fall.

Another development in Quebec agriculture which is expected to prove of value is the growing of sugar beets. After years of tests, showing that good yields and high sugar content can be obtained on fertile soil, 10,000 acres will be devoted to sugar beets in 1944. A large refinery is being erected at St. Hilaire for the purpose of processing at least 100,000 tons a year.

Cash income of Quebec farmers for 1943 is estimated to have amounted to over $150 millions. This contrasts with about $140 millions the year before. The improvement was due to better prices, as, in the main, production was on a somewhat smaller scale.

During the first half of 1943, the last period for which complete returns are available, Quebec farmers had a cash income of $78.2 millions, as against $69.7 millions for the like period of the preceding year. Only Ontario, Saskatchewan and Alberta were able to report a higher income.

FARMER'S CASH INCOME
JANUARY—JUNE

P.E.I.	$ 6,832,000	$ 4,931,000
N.S.	12,172,000	12,125,000
N. B.	12,805,000	10,806,000
Quebec	78,231,000	69,771,000
Ont.	162,300,000	166,143,000
Man.	47,034,000	33,368,000
Sask.	111,029,000	49,937,000
Alta.	91,742,000	66,419,000
B. C.	16,165,000	15,213,000
Total	538,310,000	428,713,000

Fundamental Changes

In meeting Britain's food requirements and providing for domestic needs, Quebec's agricultural economy has experienced a number of major changes which probably will be felt long after the war is over.

This has a direct bearing on the general welfare of the province, since the economy of Quebec rests upon agriculture and undoubtedly will continue to do so for many generations to come. There are over 3 million people in the province and of this number about a third are classified as "rural."

While love of the soil is deeply ingrained in the Quebecker, the trek from the farm to the city has been going on as in other provinces. In the earlier years, rapid industrialization had a pronounced effect on the balance as between urban and rural population. During the depression years the movement was of no particular consequence, but since the war started the large scale manufacture of war materials has again resulted in the draining off of population from the rural to urban areas and creating a farm labor problem which has become critical over the past year.

According to the last census, there were 154,629 farms in the province, with a farm population of 832,658. The investment in these farms amounted to $908.7 millions, or $6,684 per farm. This contrasts with the Dominion average of $6,048 per farm.

The Government has been active in promoting various schemes to keep the people on the land. Special loans for improvements to buildings, purchase of equipment, etc., are made on long terms at low rates of interest. In addition the Government has been active in building highways, promoting co-operative societies for marketing of farm products and generally promoting the welfare of the farm population.

Warns U.S. Timber Areas Are Nearing Exhaustion

L. F. Watts, Chief U. S. Forest Service, Sees Canada Playing Highly Important Role as Postwar Source of Forest Materials

By LAWRENCE SULLIVAN

WASHINGTON. — Lumber resources of the U. S. are being depleted rapidly by the abnormal demands of war, says the annual report of Lyle F. Watts, Chief of the Forest Service, U. S. Department of Agriculture.

Canada doubtless will be the most important source of world supply in the postwar era, although Russian lumber already is being imported on a considerable scale as ballast in the ships which carry lend-lease goods abroad.

Watts predicts postwar demand for lumber in U. S. will continue for some time at about the war level, until the building deficiency in homes and farm structures is recovered.

Growth of trees suitable for lumber in the United States is currently reported not much more than half of the anticipated postwar requirements, and wartime demands have pushed the drain upon U. S. forests 25% above pre-war levels.

The report also estimates the timber deficiency in Europe probably will be greater in the postwar years "than the anticipated surplus of all the rest of the world."

"Since we are now growing as much timber as we ourselves need, we can safely undertake to help meet Europe's reconstruction needs only if we exercise the utmost care to keep our forest land productive."

Tremendous expansion in the postwar market for plywood products, particularly the new molded varieties which lend themselves easily to modern furniture requirements, is predicted.

This country has not yet reached the peak of war requirements in lumber. The 1943 war demand was greater than 1942. Total new cut in the U. S. for 1943 was about 10 billion ft. below 1942 consumption.

Retail inventories at June, 1943 were 60% below Jan., 1942.

For a postwar program, Watts urges acquisition by the Federal Government of 150 million acres of depleted forest lands now in private ownership.

Extensive surveys are under way to develop new timber resources throughout Central and South America in collaboration with the Rubber Development Corp.

Professional and trade groups also take note of the war's heavy impact upon world lumber outlook. On Jan. 15 the American Forestry Association with headquarters in Washington, announced a nationwide resources survey, to be conducted in every timber country in the U. S.

* * *

Report On Canol

As the tumult and the shouting die on Capitol Hill, one turns an attentive ear toward the War Department for word of news on Canol. Obviously, there is no official comment. But the day-to-day department routine in the Service of Supply is a matter of record.

Watching this humdrum routine for several days from the Press Room of the Pentagon wonderland, James Y. Newton, veteran staff reporter for the Washington Evening Star, reported recently:

"The Army is pushing to completion its Canadian oil project, despite blasting criticism of the venture by the Truman Committee, and apparently is confident a new contract more favorable to the United States will be worked out with the Dominion oil interests.

"War Department officials said today the 4-in. pipeline from the fields at Norman Wells to Whitehorse will be finished about Feb. 17. First stage of the refinery at Whitehorse, to produce gasoline and Diesel oil, is expected to begin operation in March.

A second stage of the refinery, to make aviation fuel, will be completed in May."

All new exploration work in the area, for which the Army still has some $7 millions available, has been suspended pending renegotiation of the contract.

Stedman Bros. Earnings Hold

Little change will be shown in gross earnings of Stedman Bros. for the year ended Dec. 31, 1943, The Financial Post is informed. Net profit will be less, however, as a result of higher taxes. Net profit for 1942 was $316,486.

Merchandise for their smallwares business has been increasingly difficult to get, it was stated, but acceptable substitutes have been found for most lines.

The new price control method now coming into operation, which covers markup rather than ceiling, now affects most of Stedman lines.

As to the previous system, the company feels that while they were tightly squeezed in some lines, on the whole they fared better than they would have with a runaway price situation.

In a year which saw some contraction of retail outlets generally, only one Stedman Bros. store was closed.

Belding-Corticelli Operating at Capacity

Capacity operations are continuing so far as labor and supplies of raw materials will permit, W. P. MacDougall, president of Belding-Corticelli Ltd., told shareholders at the annual meeting. Situation in respect to raw materials is not encouraging, he said, but he hoped for improvement as the year progresses.

Commenting on results for last year, Mr. MacDougall said sales were down 21% compared with 1942. War orders were about 13½% of total business, compared with 35% in 1942.

Lumber Trade Protests Tax

CLA Will Tell Ottawa EP Measure Endangers Employment Plans

Sharing a view widely endorsed in Canadian business that the excess profits tax prevents accumulation of surpluses to help make postwar employment, 36th annual meeting of the Canadian Lumbermen's Association at Montreal decided to take to Ottawa a petition from the lumber trade for immediate and progressive reduction of the tax and for its postwar elimination.

Amendment of the Unemployment Insurance Act to make its application to the lumber industry more equitable also will be requested by the association.

Other CLA resolutions ask:

Government to reverse policy allowing operators of small sawmills to sell their products free from sales tax;

Quebec to reconsider licenzing of lumber graders, since institution of such system "would jeopardize orderly marketing of Quebec lumber";

Jobs For Association

CLA to (a) study possibility of forestalling hasty Government action in disposal of wartime shipping; (b) take immediate action for adjustment of prices of dressed and rough spruce and jackpine which now are equal under the price ceiling; (c) name research committees on postwar problems; (d) bring together the industry's branches to plan postwar timber control; and (e) take up with War Assets Corp., the industry's argument against dumping of lumber and millwork to be salvaged from war plants, cantonments, etc.

Timber Controller Alan H. Williamson suggested that the CLA take the lead in trying to secure a united expression of opinion on how war assets disposal should be handled.

Five Basic Problems

Five basic problems demanding immediate action were placed before the lumber industry by Secretary-manager W. J. LeClair: Timber waste from fire; insect infestation and disease; insecurity of tenure and limits; overcutting forced by war requirements; forest policy insufficiently co-ordinated among provinces and between Dominion and provinces and conduct of business "in an atmosphere of suspicion."

Mr. LeClair also asked closer cooperation between U. S. and Canadian lumber industries.

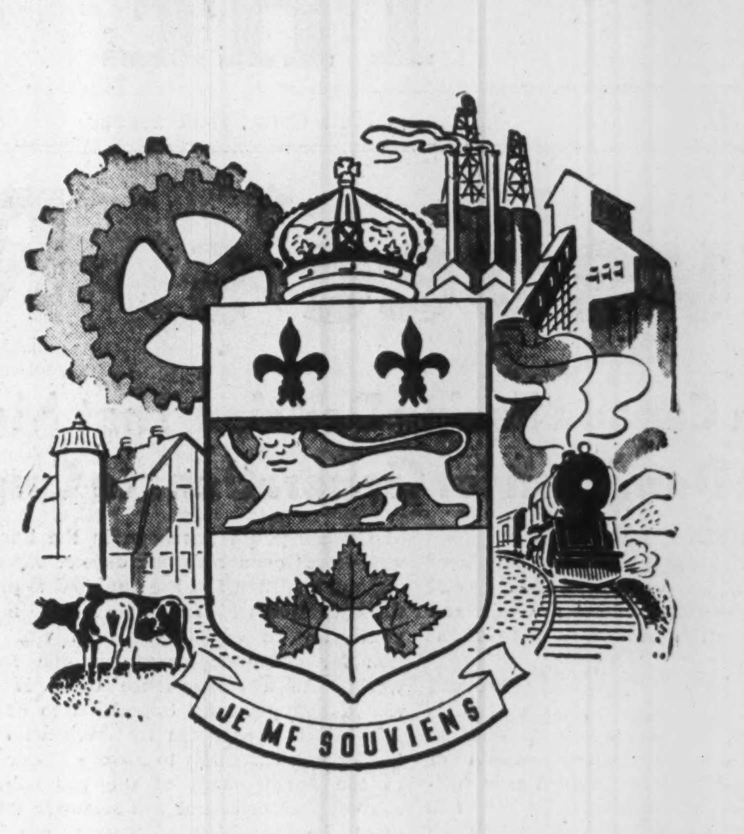
CLA's 1944 Officers

The following are Canadian Lumbermen's Association officers and directors for 1944:

S. C. THOMPSON, Montreal, president; E. W. ROSS, Edmundston, N.B., immediate past president; D. A. GILLIES, Braeside, Ont., first vice-president; RAOUL GUERETTE, Estcourt, Que., second vice-president.

Directors: N. F. BLAIR, Quebec, RAOUL GUERETTE, Estcourt, Que.; A. McN. AUSTIN, Dalton, Ont.; together with J. L. MACFARLANE, Toronto, KNOX MACLACHLAN, Montreal, and LEONARD HILL, New Liskeard, representing Canadian Lumber Distributors' Bureau; W. R. BEATTY, Pembroke, J. G. FLECK, Ottawa, and C. E. SMITH, Blind River, Ont., representing White Pine Bureau; S. J. STANIFORTH, Montreal, A. J. BAILEY, Toronto, and HAROLD GILL, Montreal, representing Canadian Hardwood Bureau.

Consolidated Bakeries of Canada declared on Feb. 9, 1944, a dividend of 20 cents per share on the ordinary stock, payable Apr. 1, 1944, to shareholders of record Mar. 10; ex-dividend Mar. 9. A similar dividend was declared by the company Dec. 4, 1943, payable Jan. 1 to shareholders of record Dec. 10; ex-dividend Dec. 9.



QUEBEC TOMORROW

In the reconstruction period that ultimately will face Canada, as all the world, Old Quebec will prove, in peace as in war, a bulwark of strength and resource.

Just as the riches of her fields and mines, rivers and forests, mills and workshops contribute so abundantly to the prosecution of the war, so will they in turn serve the needs of post-war years — a source of economic strength and opportunity.

And when those fateful years will have finally arrived, Eaton's, as in past decades, will proudly play its role in bridging the gap between producer and consumer — a role destined to assume even higher importance in the transition that will come.

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Quebec's Population Grows

29% of Canadians Reside in Ancient Province

Recent census returns show that a larger proportion of Canada's population lives in the Province of Quebec than at any time since 1901.

There were 3,331,882 people living in Quebec in 1941, or just short of 29% of the total Dominion population.

Equally interesting is the fact that over 95% of these people were born in Canada, and of the native-born population, almost 80% were of French descent.

Examination of census returns in the last three decades clearly shows a more favorable rate of growth of population than has been the case in other provinces. This has been due to two causes. First, is the virtual closing off of immigration into the Dominion, which is the principal source of new population for the West and other sections and, secondly, the high birth rate in the province.

Record Faster Growth

Thus between 1931 and 1941 the increase in population in Quebec was half as great again as it was for Canada as a whole. From 1901 to 1911 the situation was almost the reverse. In the following 10 years Quebec's rate of growth still lagged behind that of the Dominion but in the decade ending 1931, it was slightly better than the Dominion average.

% INCREASE IN POPULATION

	Quebec	Canada
1931-1941	15.92	10.88
1931-1921	21.76	18.08
1921-1911	17.69	21.94
1911-1901	21.64	34.17

Second in Rank

For several decades Quebec has ranked next to Ontario as the most populous province in the Dominion. The spread between the two areas remained fairly constant up to 1931, but in the decade ended in 1941, Quebec was able to record a relatively sharp increase, so that the difference is now only almost 437,000.

The relative position of the different provinces at the decennial censuses in 1931 and 1941 is shown in the table below.

	1941	1931
P. E. I.	95,407	88,038
N. S.	577,962	512,846
N. B.	457,401	408,219
Que.	3,331,882	2,874,255
Ont.	3,787,655	3,431,683
Man.	729,744	700,139
Sask.	895,992	921,785
Alta.	796,169	731,605
B. C.	817,861	694,263
Yukon & NWT	16,185	9,723
Total	11,505,898	10,376,786

Settled by French

The first effort toward colonizing New France, or Quebec, dates from the arrival of Champlain in 1608 when he founded Quebec City. Before that Jacques Cartier had been satisfied to explore the country.

First of the settlers was Louis Hebert, an apothecary from Paris. As early as 1617 this pioneer landed in Quebec with his family and devoted himself to agriculture.

At that time it is estimated about 10,000 Indians inhabited the country now included within the provincial boundaries.

Initial Growth Slow

At the outset colonization proceeded slowly, those charged with recruiting settlers, in return for certain trading privileges, feared losing control of the fur trade should they send out too large a number of colonists.

Incessant warfare with the Indians, as well as with the English colonies, was an impediment to the increase in population.

First census taken, 1666, revealed 3,125 inhabitants in the districts of Quebec, Three Rivers and Montreal. Subsequent enumeration gave a population of 3,918 inhabitants in 1667; 9,400 in 1679 and 12,263 in 1685, including 1,538 Indians located in the southern area.

At the time of the British Conquest in 1760, there were approximately 60,000 people in New France. Then followed a large influx of settlers, tradesmen, officials and others from England, Scotland, Ireland and the continent. Population grew more rapidly. By the time of Confederation, Quebec had a population of nearly 1.1 millions.

Trend of Population

The trend of growth in Quebec from the decennial census of 1881 up to date, together with the returns of the Dominion as a whole, and Quebec's percentage of the latter follows:

	Quebec	Canada	Que. % of Total
1941	3,331,882	11,505,898	28.96
1931	2,874,255	10,376,786	27.70
1921	2,360,665	8,787,949	26.87
1911	2,005,776	7,206,643	27.83
1901	1,648,898	5,371,315	30.70
1891	1,448,535	4,833,239	30.80
1881	1,359,027	4,324,810	31.42

Majority Are French

As the province was originally settled by French colonists, it is natural the majority of Quebeckers today should be of French origin and French-speaking. Detailed particulars of the 1941 census are not available, but in 1931 of the more than 2.8 million people in the province, all but 600,000 were of French racial origin. One third of the remainder were of English descent and 108,000 of Irish origin. The Scotch were well represented with 80,300 while the balance was made up of many nationalities.

A survey of the principal racial origins of Quebec's population based on the 1931 decennial census is set out below.

QUEBEC'S RACIAL ORIGIN

English	234,739
Irish	108,312
Scottish	87,300
French	2,270,059
Hebrew	60,087
Indian	12,312
Italian	24,845
German	10,616
Greek	2,466
Polish	9,534
Russian	3,574

Highly significant in the Quebec picture is the steady urbanization of the province's population—in the last 60 years urban population has increased sevenfold while that of rural areas has remained virtually static.

War conditions have speeded the industrialization of Quebec, but there has been a long-term trend in this direction. The flow of Quebec's people away from the land shows that their ideas of the province's future lies in trade and commerce and not so much in agriculture.

The movement of population in Quebec from rural to urban areas has been pronounced. In 1871 the rural population amounted to 80% of the whole, whereas in 1941 it was slightly less than 37%. This reflects the movement from the land to urban factories and the decline in the flow of agricultural immigrants to counter-balance the movement from the country to the towns.

More in Urban Areas

The distribution between urban and rural population, as set out in the last eight decennial censuses follows:

	Urban	Rural	Total
1871	......	......	1,191,516
1881	311,104	1,047,923	1,359,027
1891	499,715	988,820	1,483,535
1901	654,065	944,833	1,648,898
1911	966,842	1,038,934	2,005,776
1921	1,322,569	1,038,096	2,300,665
1931	1,813,606	1,060,649	2,874,255
1941	2,109,684	1,222,198	3,331,882

Population of Towns

Particulars of the growth of urban population in the larger centres of Quebec between 1931 and 1941 follow:

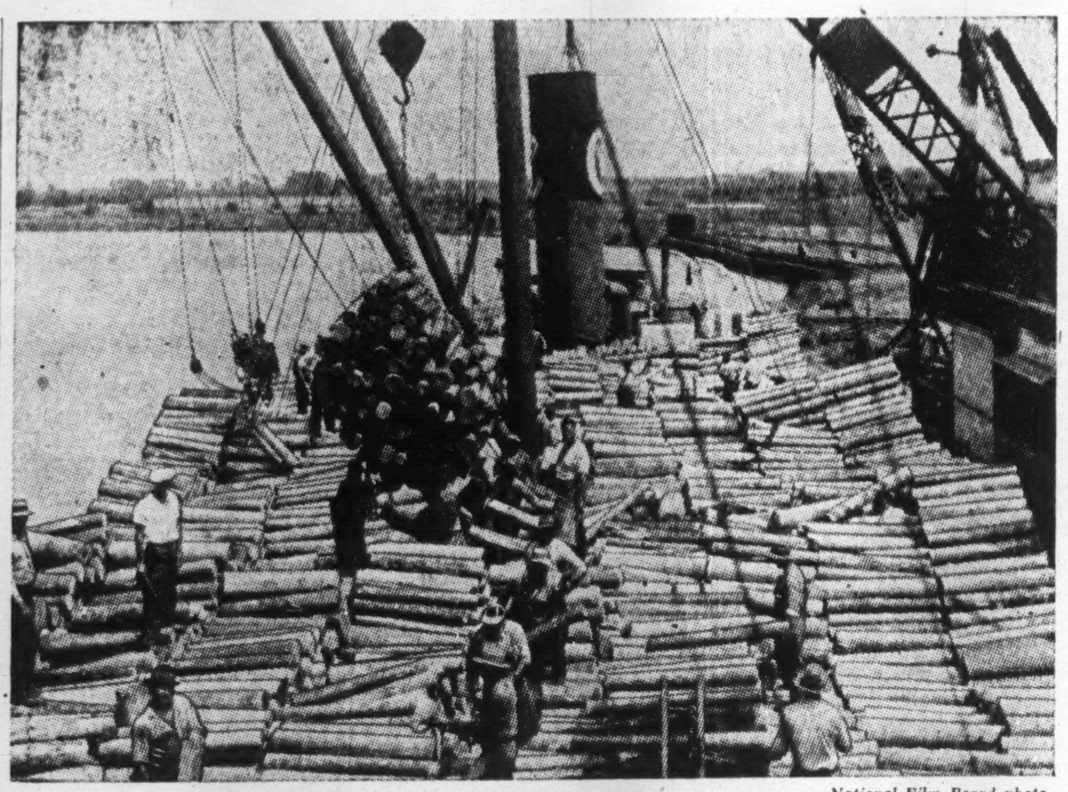
URBAN CENTRES OVER 10,000 POPULATION

	1941	1931
Cap-de-la-Madeleine	11,961	8,748
Chicoutimi	16,040	11,877
Drummondville	10,655	6,609
Granby	14,197	10,587
Hull	32,947	29,433
Joliette	12,749	10,675
Jonquiere	14,769	9,448
Lachine	20,051	18,630
Levis	11,991	11,724
Montreal	903,007	818,577
Outremont	30,751	28,641
Quebec City	150,757	130,594
Shawinigan Falls	20,325	13,448
Sherbrooke	35,965	11,256
Sorel	12,251	8,967
St. Hyacinthe	17,798	15,345
St. Jean	13,646	28,933
St. Jerome	11,329	10,320
Thetford Mines	12,716	10,701
Trois Rivieres	42,007	35,450
Valleyfield	17,052	11,411
Verdun	67,349	60,745
Westmount	26,147	24,235

Centre of Population

Almost one half of Quebec's population inhabits the Island of Montreal, while the city itself is the largest in Canada, its population slightly in excess of 900,000. If Greater Montreal is taken into consideration, population is well over the million mark.

The 1941 census showed a generally healthy growth in the population of Quebec's urban centres. There are now 23 with a population over 10,000, whereas in 1931 there were only 19 in this category. In 1921 only 12 towns were able to record a population of more than 10,000.



—National Film Board photo.

Greatest single contributor to Quebec's annual income is the forest industry, with its two main branches, lumbering and pulp and paper. Photo shows a freighter being loaded at a St. Lawrence port.

Census returns of the last three decades clearly show a more favorable rate of growth of population in Quebec than in any other province. Since 1921 population has grown faster than the Dominion average. At the present rate, Quebec's French-speaking bloc may soon be the largest single racial group in the Dominion.

Quebec Fisheries Enter New Era of Prosperity

Fish of all kinds, including shellfish, taken by Quebec fishermen during the year totalled 1,115,848 cwt. with a value at the point of landing of $2.7 millions. This compares with a catch of 968,610 cwt. and a landed value of $2 millions the year before.

Cod is by far the most important fish handled by the Quebec industry, accounting in 1942 for a value of $6.5 millions. Lobster, herring, mackerel and salmon are among the other more important type of fish caught and marketed.

Over $3.5 Millions Invested

Back of this industry is a capital investment of over $3.5 millions. Vessels, boats, nets, traps, piers and wharves, etc., employed in the primary operation account for $2.2 millions, while the amount invested in fish and processing establishments totals over $1.3 millions. During 1942 the Quebec fishermen reported having 80 Diesel vessels; 3,473 sail and row boats; 2,466 gasoline boats; 112,000 lobster traps; 15,000 hand lines; thousands of nets; 395 freezers and ice houses and 1,974 small fish and smoke houses.

Important to Economy

The fisheries are important in the Quebec economy, especially in the area centring around the Gaspe Peninsula. Though the Atlantic Ocean lies at Quebec's doorstep, fishery operations have never assumed the importance in the province that they have in the other coastal areas of the Dominion.

Interest in Quebec fisheries lies along the north shore of the Lower St. Lawrence and around Gaspe. There the industry has been developed extensively and the Provincial Government has been active in furthering its growth.

Province Gives Help

The province has encouraged organization of fishermen's co-operative societies, which have greatly contributed to the improvement of the quality of the fish marketed and exported to outside markets. Before establishment of these societies, fishermen sold their catch without grading. Now Government inspectors are appointed to examine and grade the catch.

The Government encourages these societies by substantial yearly grants. For example, in the 1940 fiscal year, the last for which returns are available, $420,903 was spent for sea fisheries, inclusive of $124,684 capital expenditures for the construction of freezers and ice houses.

In particular help has been provided for the secondary industry, namely, fish processing plants. In 1942 there were 94 of these establishments with an investment of over $1.3 millions. By type they were divided as follows: lobster canneries 9; fish curing establishments 63; fresh fish and freezing plants 17 and reduction plants 5.

Bond Transfer Fees Eliminated by Quebec

Quebec has eliminated the registration of transfer fee on bonds. This brings the province into step with other sections of the Dominion.

For nearly 22 years Quebec has been collecting a fee of 50 cents on each registration or transfer of bonds. The amount of revenue has been small, and it was decided to remove the tax which was regarded as a nuisance.

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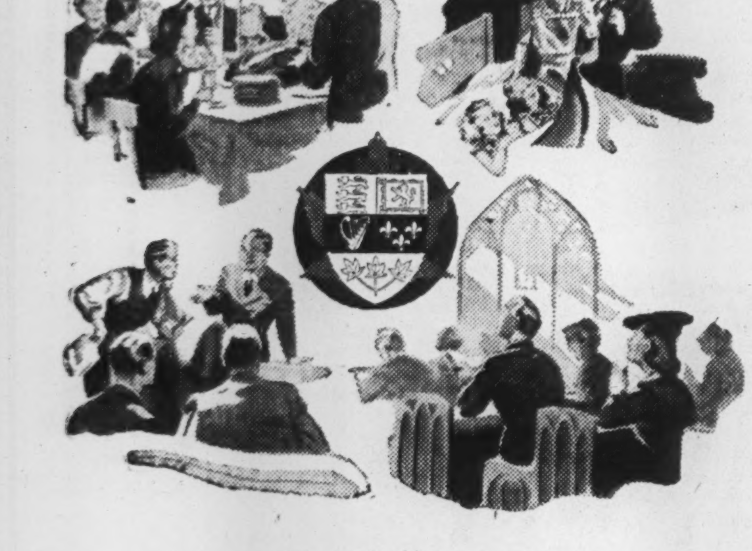

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MEMBER A.B.C.

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Financial House Put In Order

War-inflated Finances Help to Cut Debt $20 Millions

For the past three years Quebec's provincial finances have been on a balanced basis. At the same time the total direct and indirect liabilities of the province have been reduced by approximately $20 millions.

This marked improvement in the financial position of the province is due to a variety of causes, but principally to a wartime boom in all fields of economic activity which has given the province a greater revenue than ever before in its history, plus a determination to keep expenditures within revenues.

Quebec's finances have improved. On the other hand, criticism is heard, as in other provinces, that expenditures should be cut to the bone, rather than inflated to meet swollen revenues. In the last three fiscal years Quebec's revenues have averaged $90 millions a year, compared with $60 millions in the fiscal year preceding the war, a gain of 50%.

Ordinary expenditures have moved up to an average of $75 millions annually since 1941, or $12 millions above the pre-war level. Capital expenditures, on the other hand, have been sharply reduced.

Throughout practically all departments, there has been a tendency for expenditures to increase. In many instances these advances are difficult to justify in the face of wartime conditions and the demands made upon the population by the Dominion Government to finance the war.

Higher Level Of Income

An analysis of the financial returns for the past four years, including the budget forecast for 1944, shows that, in contrast to the pre-war period, three new sources of revenue have been opened up to the province. These include the sales tax, from which income this year is estimated at $13 millions, a tobacco tax of $3.7 millions and an income tax of $2.5 millions.

From the established sources of revenue there has been a gradual upward trend, particularly in the case of the Quebec Liquor Commission, the net income from which has doubled since 1939.

Revenue from the income tax is now received by the province through a special grant made by the Federal Government. As regards sales tax, there is a possibility that this year some relief will be afforded to the taxpayer, as it is the Government's intention to make certain modifications.

Curtail "Capital" Outlay

On the "outgo" side of the profit and loss account, the records show that expenditures on education have doubled in the last four years. Unemployment relief, on the other hand, has declined from nearly $10.5 millions in the 1940 fiscal year to an estimated $28,000 this year. Capital outlay on roads has fallen off from around $20 millions to $6 millions, while unemployment relief works which amounted to as much as $24 millions in the 1939 fiscal year, are put down at $30,000 for 1943-44.

Despite these substantial reductions, the over-all picture shows increased spending by the Government, due to heavier demands made by all departments.

Need For More Spending

Naturally there is justification for some of these increased expenditures. This is particularly true in the case of education where the province has been somewhat backward in providing adequate funds for educational works. Expenditures on colonization, agriculture, and on health constitute what might be called a long term investment and are therefore justified. Then, too, the interest on public debt has increased by more than 50%, while heavier sinking fund charges have tended to boost expenditures.

During the depression years Quebec's provincial finances became heavily involved. Large expenditures on unemployment relief, public works, etc., created a huge floating debt.

Revise Public Accounts

First steps in the program of financial rehabilitation carried out by the present Quebec Government, when it came into power in 1939, was the complete revision of public accounts and abandonment of methods which had obscured a dangerous drift.

Direct and indirect debt of the province at June 30, 1936, totalled $209.9 millions. In 1939 the debt had reached $420.3 millions, an average increase of $70 millions annually.

In making the new presentation of accounts, the Government called for complete overhaul of the existing system.

Former governments followed the practice of showing a surplus on what was termed ordinary accounts, but charged unemployment relief, certain colonization expenses, etc., to extraordinary expenses or capital account. Result of this allocation of expenses was to give an inaccurate picture of the real financial position of the province.

On New Basis

In May 1940 the Government adopted a pay-as-you-go policy, calling for economy and a further increase in taxes. These included three new sources of revenue: sales tax, tobacco tax and income tax. Revenue from other forms of taxation had shown a substantial increase in most cases, largely reflecting the vastly improved economic conditions brought about by war.

Capital expenditure on roads has been reduced, while unemployment relief no longer ranks as a major item. Amounts spent on public buildings have declined, while the completion of the provincial hydro-electric plant has stopped expenditures on that account. As a result financial operations for the 12 months ended March 31, 1944 are expected to show a surplus of $8 millions on ordinary account and an over-all surplus on the year's operations of $273,000.

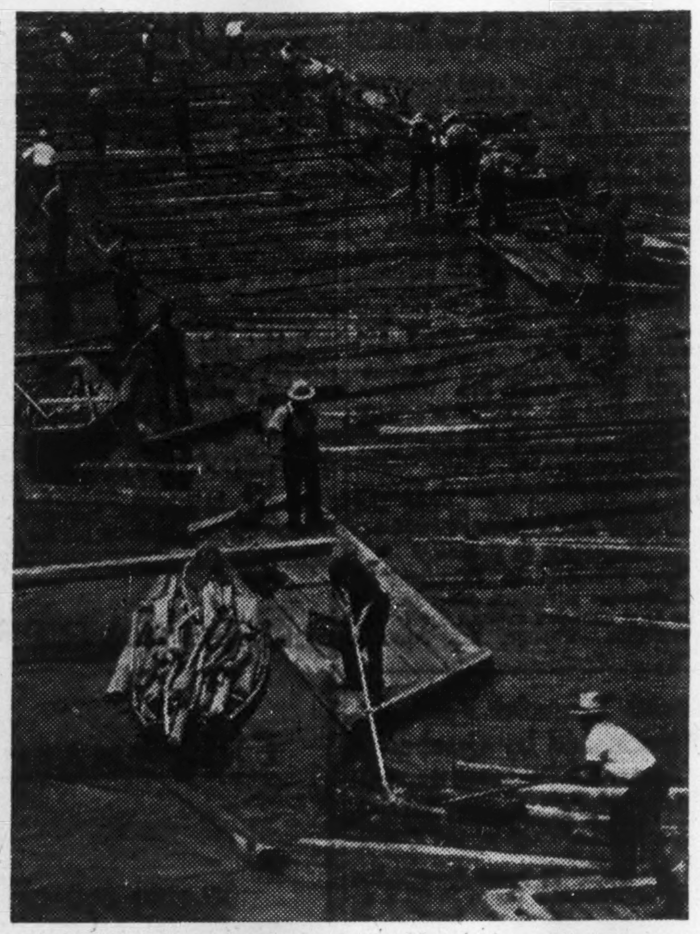
Cutting Down Debt

The debt position of the province as at November 30 last, which is set out in the accompanying table, together with particulars of income and outgo for the last three years, totalled $380 millions in respect to direct obligations. In addition there were $25 millions of indirect liabilities of a contingent and deferred character.

The largest portion of this debt was incurred during the depression years and immediately after. Total relief capitalized for the period of 1930 to 1938 was almost equal to the total debt outstanding in 1930.

Over 70% of the relief expenditures in the province were direct. Large expenditures, however, were made on public works designed to provide employment. In 1930 to 1937, Quebec spent $26 millions on colonization, etc., $54 millions for highway construction, and $14 millions on loan to farmers.

The net effect of these extraordinary expenditures was to convert the municipal-provincial debt from one of the lowest to the highest in Canada.



These logs were cut 150 miles north of the sorting gaps through which they now run. Dozens of men, employees of a boom company, sort the logs for the various companies milling. The logs sometimes are identified by paint marks on the butts, more often by a branding mark hammered in at source.

WHERE QUEBEC STANDS

ORDINARY REVENUE:

	Year ended Mar. 31, 1942	1943	1944 (Budget Forecast)
	(Thousands of dollars)		
Taxation:			
Motor vehicle law	7,300	6,803	5,600
Gasoline tax	12,142	11,808	11,800
Succession duties	12,076	6,796	9,500
Corp. tax (on capital)	7,202	7,680	
Corp. tax (on profits)	8,983	8,693	15,720
Sales tax	12,000	12,957	13,000
Tobacco tax	3,023	3,599	3,700
Income tax	1,897	3,092	2,470
Alcoholic permits and duties	2,970	3,316	2,000
Security transfer tax	217	213	250
Licences of hotels, restaurants, etc.	343	338	335
Others	1,791	494	492
	69,944	65,789	64,867
Natural resources	10,339	11,088	10,864
Subsidy from Federal Government	2,732	2,746	2,739
Quebec Liquor Comm.: Trade account (net)	5,504	8,017	7,500
Interest	1,663	2,055	1,947
Fees and fines	1,475	1,476	1,378
Sundry items	342	1,599	902
Total ordinary revenue	91,999	92,770	90,197

ORDINARY EXPENDITURE:

	1942	1943	1944
Public debt:			
Interest charges (net)	12,273	12,261	12,432
Less: Unemployment tax and revenue from escheated estates	834	1,027	950
	11,439	11,234	11,482
Sinking funds (1)	4,935	7,131	5,575
Amortization of discount, premium and charges of management	1,024	1,024	1,047
	17,398	19,389	18,104
Health	2,727	2,876	3,103
Roads	6,839	7,986	8,318
Agriculture	6,217	7,309	6,100
Attorney-General	4,341	4,402	4,560
Labor	5,770	6,407	6,878
Colonization	3,301	3,129	4,000
Lands and forests	2,791	2,911	2,661
Public works	1,907	2,290	3,843
Other departments	8,014	7,246	7,768
	68,177	77,045	78,875
Unemployment relief	604	64	28
Deficit of Public Charities Fund	2,908	2,700	3,000
Youth Aid Act	465	259	357
Total ordinary expenditure	72,154	80,068	82,260
Surplus on ordinary account	19,845	12,702	7,937

CAPITAL EXPENDITURE:

	1942	1943	1944
Quebec Streams Commission—Hydro-electric plant and transmission line, etc.	1,578	16	325
Roads	12,586	9,426	6,200
Bridges	458	435	665
Public buildings	2,582	1,175	444
Unemployment relief works	514	482	30
Miscellaneous	139	329	...
	17,857	11,831	7,664
Over-all surplus	1,988	871	273

Debt Position

	As at Mar. 31, 1943	1942	Nov. 30, 1943
	(Thousands of dollars)		
Funded debt	378,856	371,601	370,586
Less: Sinking Fund	46,396	38,676	50,149
Net funded debt	332,460	332,925	320,437
Net special issue	11,146	11,450	11,146
Floating debt	46,483	44,104	49,021
Deferred liabilities	11,917	18,457	11,848
Contingent liabilities	14,073	15,183	13,220
Over-all debt	416,439	422,119	405,672

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MONTREAL

Smokes For a Nation Provided by Quebec

When a Canadian smokes, chews or snuffs tobacco, the chances are 9 to 1 that the article used was processed in Quebec. In other words, over 87% of all the processed tobacco offered for sale in Canada is a product of Quebec factories.

The dominance of Quebec over the other provinces in the tobacco industry is clearly set out in report of the Dominion Bureau of Statistics covering returns for 1941. In that year 54 out of the 82 factories were located in Quebec. They represented a capital investment of $57 millions, or 85% for the whole Canadian industry. They provided employment for 7,929 out of 9,204 workers and accounted for $26.9 millions out of the $53.7 millions of net value of production.

Has Held Position

Quebec's lead of the tobacco processing industry is all the more interesting in the light of the fact that it produces only 15% of the total Canadian tobacco crop.

This is explained by the fact that up to 1900, Quebec accounted for two thirds of the pipe leaf and local types of cigar leaf tobacco grown in Canada. Consequently the tobacco industry located within the province. This pre-eminent position was held until the development of the tobacco growing areas in Ontario, which now provides the Dominion with by far the largest share of its tobacco production.

Pioneered in Field

Not only has the centre of the tobacco industry remained in Quebec but the province also has pioneered in most stages of its development.

It was in the back shops of Quebec merchants that experiments were conducted in cutting and blending of imported leaf and which subsequently created the demand for what is now known as cut smoking tobacco.

Canada's first machine-made cigarettes were made in Montreal.

Naturally there has been some spread of tobacco manufacturing in other provinces, but the trade remains under control of two manufacturers, both of whom have their principal operations in Montreal.

While Quebec has maintained its position in tobacco manufacturing, the province, in many ways, has neglected to foster tobacco growing. However, in recent years more attention has been paid to improving quality and ingredients. Aside from the commercial growing of tobacco, practically every farmer in the province grows his own supply. If the home grown product is taken into consideration, then the value of the tobacco crop to Quebec averages somewhere in the neighborhood of $5 millions annually.

Department Store

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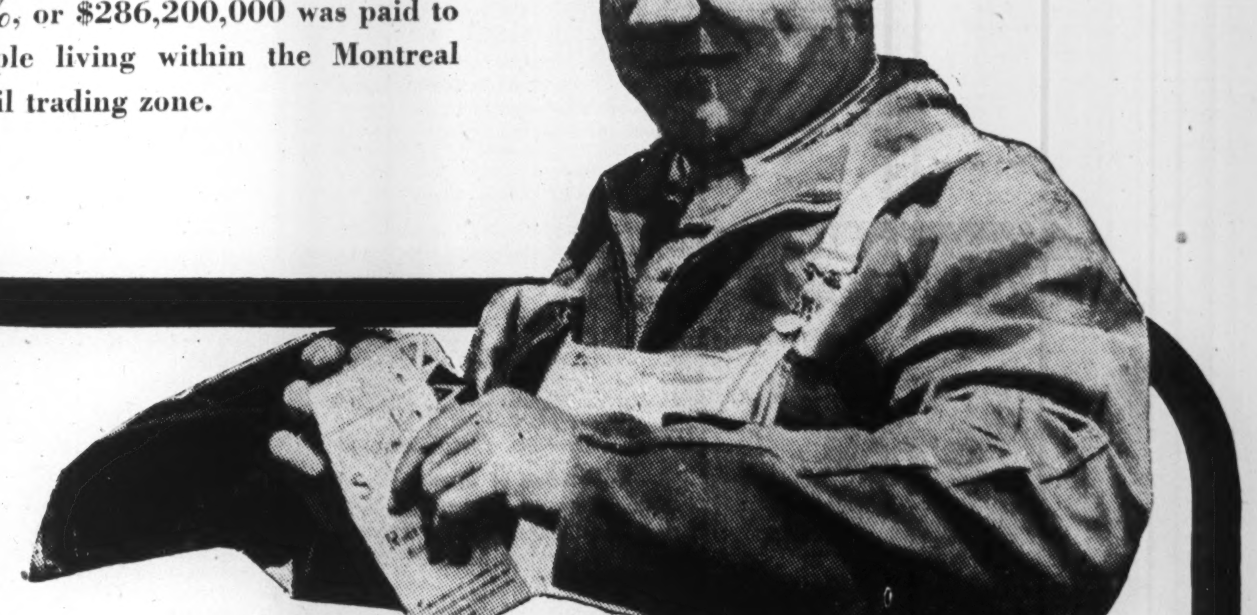
Quebec is a $477,000,000* payroll market

Official figures for 1941 (latest available) show that the total payroll for the Province of Quebec was $477,000,000*. Of that amount, 60%, or $286,200,000 was paid to people living within the Montreal retail trading zone.



To reach these potential buyers, you must obviously use La Presse, the newspaper that has dominated this tremendous market for the past 59 years. Significantly enough, 144,263 of La Presse's total circulation (Canadian daily edition) of 195,818† is concentrated within the sales-rich Montreal area. (Saturday La Presse, 147,718 out of a total of 230,309‡). No other newspaper, daily or week-end, gives you such balanced coverage of the Province of Quebec market.

in Quebec Province LA PRESSE is first

*The present day payroll will naturally show a big increase.
†Feb. 4th, 1944 issue.
‡Feb. 5th, 1944 issue.

Industrial Boom in Old Quebec

Over 600,000 Workers Produce 30% of Total Dominion Output

Rapid industrialization of Quebec, which has been greatly accelerated by the war, promises to have a vital bearing upon the economic life of the province for generations to come.

Over 600,000 workers are engaged in industrial operations in the province. The weekly payroll at this time aggregates more than $18¼ millions or $950 millions annually.

Indications are the peak of wartime production has been reached in the province. A year ago there was approximately the same number of workers, but the amount distributed in wages was only $16.3 millions, or at an annual rate of $845 millions.

Dominates Certain Fields

For years past the province has ranked second among the manufacturing areas of the Dominion. Ordinarily it accounts for about 30% of the Dominion's industrial output. It has achieved this highly important position more on account of large individual industries than because of diversification of operation.

For example, the Quebec section of the pulp and paper industry alone supplies about 47% of the Dominion's total.

The ratios of output in other industries to production in the country as a whole are: tobacco products, 85%; cotton, yarn and cloth, about 69%; women's factory clothing, 66%; leather boots and shoes, 61%; railway rolling stock, 48%.

In addition, Quebec accounts for all of the Dominion's important aluminum production. As regards other wartime products, it is also a major producer of explosives, shells, ammunition, aircraft and ships.

War Boosts Production

Because of the war emphasis on industrial production has undergone important changes. Today demand is for shipping, munitions, armament, aircraft and a thousand and one other products needed in modern warfare.

The aluminum industry has expanded vastly. Iron and steel mills have likewise, as have the industries associated with non-ferrous mining and smelting. Aircraft plants have grown many times in size. Shipbuilding yards have been enlarged and new ones created. Purely wartime industries, such as explosives, shell-filling, etc., have been set up to meet special requirements.

No exact figures are available as to the new capacity created, additional capital invested or present rate of production.

Tremendous Gains Recorded

Wartime secrecy necessarily limits information, but indications are that since the outbreak of war over $500 millions of additional capital have been invested in the province, while rate of output has been stepped up by over $800 millions beyond that prevailing in the pre-war period.

Since 1929 the number of industrial plants in Quebec has grown from 6,942 to over 8,700; capital invested from $1,243 millions to $1,700 millions, and gross value of output from $1,106 millions to $1,841 millions.

	No. of Plants	Capital $000's	Value of Output $000's
1941	8,711	1,700,527	1,841,088
1939	8,373	1,182,538	1,045,757
1937	8,518	1,117,772	1,046,470
1935	7,727	1,014,479	679,094
1933	7,856	1,035,339	604,496
1931	7,287	1,159,982	801,643
1929	6,942	1,243,376	1,106,475

Second in Importance

Last official report covering manufacturing operations in Quebec covers returns for 1941. These are of record proportions both in respect to number of plants in operation, capital invested and value of output. They rank the province second in the Dominion, Ontario being greatest.

Relative position of Quebec as a manufacturing province is set out in the following tabulation:

	No. of Plants	Capital $000's	Value of Output $000's
P. E. I.	213	3,106	4,649
N. S.	1,177	124,410	133,873
N. B.	791	97,953	111,434
Que.	8,711	1,700,527	1,841,088
Ont.	10,250	2,336,789	3,121,756
Man.	1,184	163,489	211,535
Sask.	945	42,159	96,021
Alta.	1,108	95,676	142,651
B. C.	1,905	340,609	412,958
Yukon	9	785	341
Total	26,293	4,905,504	6,076,308

Greater Diversification

Predominance of certain large industries in Quebec is not to be denied, yet the ancient province can boast of 40 industries with an annual production value in excess of $12 millions each. While the pulp and paper industry alone accounts for over 10% of the province's total manufacture, the degree of diversification compares relatively favorably with other provinces.

Non-ferrous mining and smelting has come to the fore rapidly in recent years and now ranks as second most important Quebec industry.

Yarn and cloth stand third. Actually, the textile industries collectively represent the leading manufacturing activity in the province.

Tobacco ranks next on the list of leading industries, followed by slaughtering and meat packing and railway rolling stock. Butter, cheese and petroleum products make up the balance of the 10 leading Quebec industries.

War Alters Ratings

Official returns, of course, do not include manufacture of aluminum which, in point of value, unquestionably figures among the leading half dozen industries.

The effect of the war on Quebec industry is also noticed in other directions. For example miscellaneous chemicals now ranks sixth among the leading industries, whereas in 1940 it was only fifteenth.

Aircraft manufacture ranked seventeenth among the 40 leading industries in 1941, whereas the year before it was not in this exalted class.

Central electric stations are no longer included in manufacturing returns. Other years power ranked among the leaders and in respect to value of "production" continues as one of the most important revenue producers in the province.

Favor Industrial Growth

Three factors contribute to the outstanding industrial growth of Quebec during wartime: huge supplies of available hydro-electricity, abundance of raw materials and large numbers of skilled and unskilled workers.

When Canada's industrial war effort got under way in 1940, it was but natural that many new war industries would be located in the province.

Tens of millions of government and private money have been spent on capital account in the expansion of aluminum, shipbuilding, aircraft and other manufacturing facilities. Millions also have been spent on shell-filling, explosive and gun plants, and other purely wartime ventures.

Rightly recognized is the fact that with ending of the war, many plants will be closed down and dismantled. In this respect Quebec faces a serious postwar industrial problem.

The relative importance of the Quebec towns and cities having an annual industrial output in excess of the above figure is shown in the following list:

MANUFACTURING RECORD—1941

	No. of Plants	No. of Workers	Value of Output $000's
Acton Vale	11	696	2,895
Asbestos	9	92	1,079
Beauharnois	12	1,321	9,620
Berthier	9	397	1,889
Brownsburg	6	2,783	9,055
Cap de la Madeleine	18	1,173	4,076
Chambly Canton	4	364	1,469
Chicoutimi	24	389	1,197
Coaticook	15	883	3,461
Drummondville	25	5,892	23,937
Farnham	17	969	4,292
Granby	36	3,852	12,096
Grand'Mere	19	1,934	9,805
Hull	47	3,277	20,774
Huntingdon	9	440	2,266
Joliette	43	1,367	5,135
Jonquière	14	330	2,002
Lachine	34	5,532	40,000
La Parade	8	167	1,016
Laprairie	14	503	1,742
Lasalle	13	1,234	14,223
Lennoxville	9	226	1,622
Loretteville	17	455	1,077
Marieville	14	485	1,790
Megantic	11	581	1,075
Montmagny	28	1,124	4,074
Montreal	2,669	147,917	803,685
Montreal East	11	3,117	93,346
Nicolet	11	382	1,501
Outremont	16	1,092	10,889
Plessisville	16	745	2,622
Princeville	8	135	1,021
Quebec	307	16,742	61,396
Richmond	7	492	1,430
Rimouski	17	724	2,922
Rivière du Loup	18	308	1,115
St. Georges East	12	555	1,322
St. Hyacinthe	67	4,998	18,781
St. Jerome	30	2,851	11,685
St. Jean	50	3,728	15,021
St. Lambert	7	212	1,206
St. Laurent	15	4,321	15,324
Ste. Therese	20	1,551	3,911
Shawinigan Falls	36	6,499	69,015
Sherbrooke	74	7,544	35,943
Three Rivers	58	6,623	43,866
Valleyfield	31	6,406	24,483
Victoriaville	27	1,665	6,110
Warwick	12	356	1,687
Waterloo	13	771	3,446
Westmount	11	1,313	6,585
Windsor	10	820	5,569

Note: Other towns and villages in the Province of Quebec, statistics of which cannot be given because there are fewer than three establishments in each locality, are: Arvida, Bromptonville, Delson, Donnacona, Montmorency, Noranda, Port Alfred, River Bend, Mount Royal, Temiskaming and McMasterville.

For many years considerable time and effort has been devoted by utility companies, municipalities and the provincial government in promoting industrialization of the province's resources.

Greatly accelerated by wartime demands, Quebec industries now give employment to over 600,000 workers, to whom salaries and wages paid total $18¼ millions. Quebec expects to put the experiences gained in wartime to good use after the war when the resources of the province can be more fully employed in meeting the tremendous deferred demands built up since the outbreak of war.

This campaign has resulted in the industrialization of Quebec being confined largely to six principal areas.

To the west is the Ottawa Valley centring around Hull: here are large power developments, paper plants, lumber mills and other industrial establishments.

A short distance to the east is Montreal, one of the principal manufacturing centres of the Dominion and headquarters for the two transcontinental railways. This combined with the fact that Montreal is the country's chief seaport has been instrumental in establishing numbers of industries doing a national and international business.

Farther east and to the south are the Eastern Townships, sometimes referred to as the New England of Canada. Development here has been an outstanding chapter in the Dominion's industrial history. In this area will be found the centre of the Canadian silk and asbestos industries, pulp and paper plants, lumber mills, textile mills and a host of other specialized industries.

Growing Industrial Centres

On the north shore of the St. Lawrence, the territory around Three Rivers, Shawinigan Falls and La Tuque is another major industrial centre — the pulp and paper. There are many other manufactures, including chemicals, textiles, aluminum, etc.

The fifth industrial area of the province radiates from Quebec City, an important port and distribution centre. Availability of power, raw materials and unexcelled shipping facilities have given it added importance.

The newest manufacturing district in the province is the Lake St. John-Saguenay region. This is the locale of the large pulp and paper and lumbering trade. Since 1920 the section has attracted hundreds of millions of new capital in the form of such major projects as Consolidated Paper Corp., Lake St. John Power & Paper Co., Saguenay Power Co., Aluminum Power Co. and the vast Aluminum Co. of Canada development at Arvida.

Montreal in the Lead

Roughly one half of Quebec's manufacturing activities are centred in Montreal; the proportion is even larger if the Greater Montreal area is taken into consideration.

While industry is heavily concentrated at this point, there has been a steady process of decentralization over the years with the result the province now boasts 63 industrial centres with an annual output in excess of $1 million. In 1940 there were only 57 such centres.

Raise Ceiling On Pulpwood

From Our Own Correspondent

MONTREAL.—A. H. Williamson, Timber Controller for the WPTB, announces revised ceiling prices, effective immediately, for pulpwood produced from the stump in Quebec, New Brunswick and Nova Scotia. The new prices represent an increase of approximately 5% over those previously set for the three provinces and apply to rough and peeled spruce and jack pine. Prices for rough and peeled poplar are increased "more substantially" as this species of wood has carried a non-economic price and is now brought into line with prices prevailing on other types of wood.

The present action in increasing the pulpwood prices in the three provinces is part of a joint move by the Office of Price Administration and the WPTB to narrow the spread between domestic ceilings and prevailing export prices on pulpwood, and to increase the overall production of pulpwood in Canada.

It is also announced by the OPA that an agreement has been concluded with the WPTB whereby restrictions on imports of pulpwood from Canada will be eased and imports from the three Canadian provinces will be placed under United States price ceilings.

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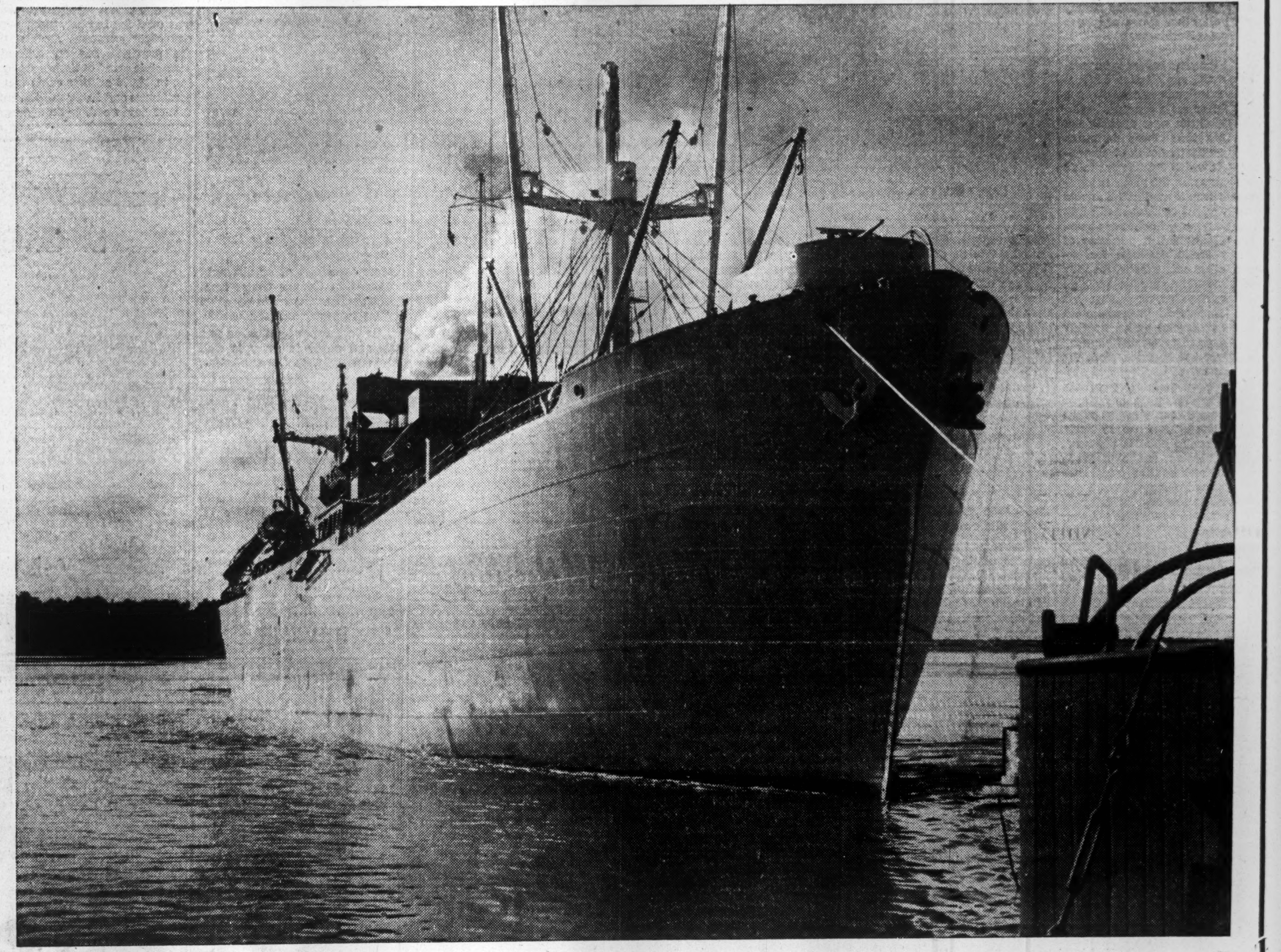

A 10,000 ton cargo ship readies for departure from Sorel, P.Q.

Cargos of Conquest From Quebec

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"And they will have to be maintained from supplies brought, in large part, across the ocean from this continent."

Prime Minister William Lyon MacKenzie King
House of Commons, Ottawa, Feb. 1, 1944

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Great Future Seen For Quebec's Forests

Wood Cellulose Use Opens Up Vast New Field

Source of great wealth for more than a hundred years, Quebec's timber resources are entering a new field of vast importance and usefulness.

For three hundred years the forest lands of Quebec have been utilized. Hundreds of millions of dollars of wealth have been created.

Quebec leads all other provinces both from the volume and value of forestry output.

It leads in the production of pulpwood.

It is the centre of the world's newsprint industry.

It produces more rayon pulp than any other province in Canada.

It leads in the manufacture of kraft paper and produces nearly half of all other types of paper made in the Dominion.

Bigger Future Ahead

What has gone before is impressive, but the exploitation of Quebec's timberlands has been on a very limited scale compared with the possibilities now opening up.

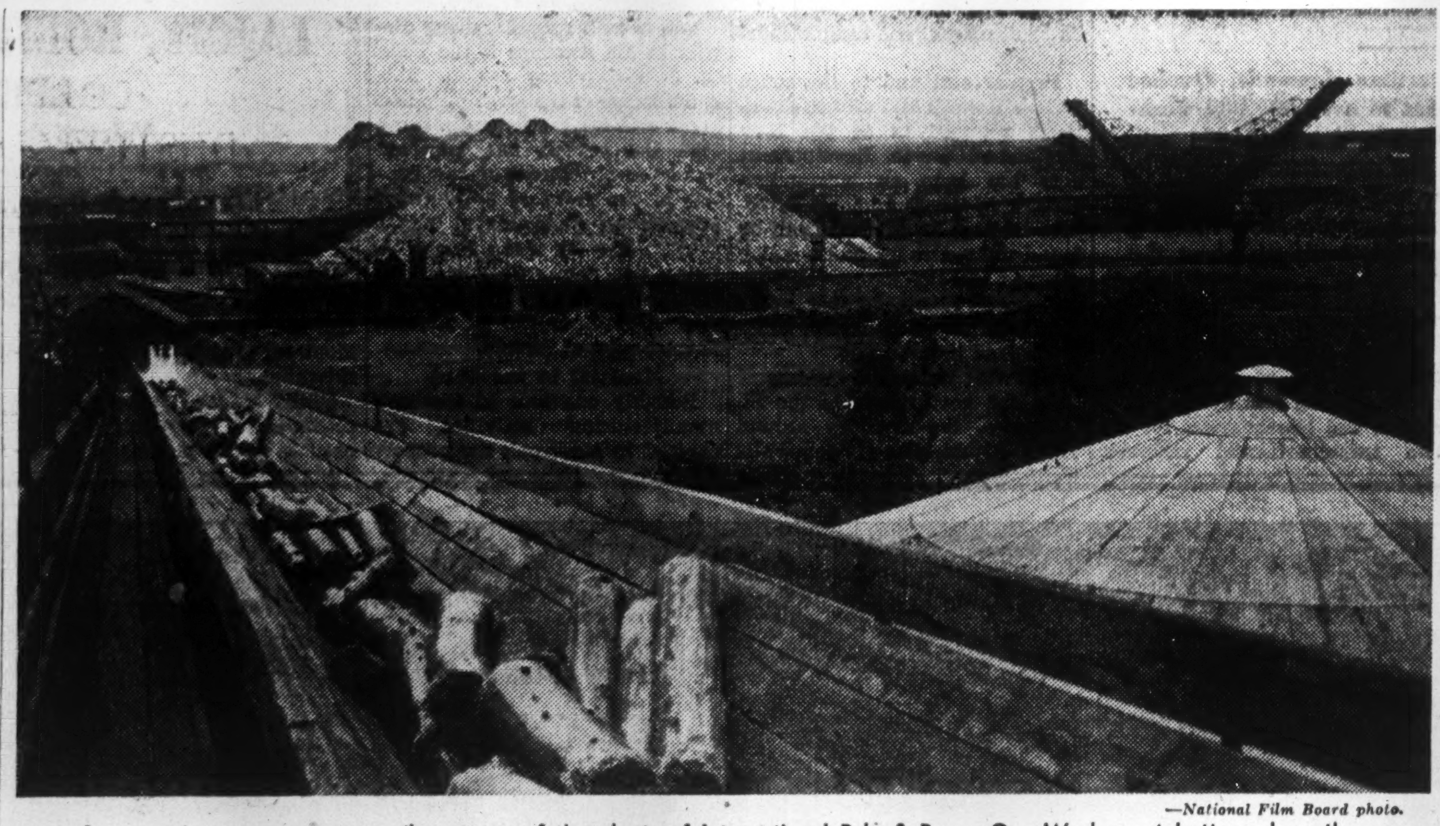
At this time there is much keener realization of the tremendous assets which Quebec has in its forests alone. In the past the tendency has been to exploit the forests in what might be described as an elementary way. Quebec has been, to a large extent, a producer of primary forest products for export to other countries where they are processed into products of high commercial value, or Quebec has produced finished products with a low commercial value, notably in the case of newsprint paper.

The war has brought about the development of hundreds of new uses of wood cellulose products. Quebec lumber, pulp and paper operators are keenly aware of the possibilities opened up to them. For instance, in plastics, plywood, modern housing, and high grade pulps, almost endless opportunities face the industry.

Quebec's Earliest Industry

Exploitation of Quebec's timber resources began with settlement of the country. Sawmills sprang up. Each year the cut of sawn lumber increased and the Quebec product found a widening market in the United Kingdom, the United States and elsewhere.

As far back as the days of the



—National Film Board photo.

Logs coming up conveyor to piles at one of the plants of International Pulp & Paper Co. Washers at bottom clean the logs of all bark and chips before they are piled.

French regime, Quebec's forests were held to be chiefly valuable as a source of timber for the construction and maintenance of the King's navy. For a half century after the English occupation, Britain retained the same attitude.

Leader in pulp, paper, and many lines of timber production, Quebec's forest industries look forward to further expansion after the war with the creation of new opportunities through the use of wood cellulose. Capital invested in all branches of forest industry now runs close to $500 millions, with employment provided for over 71,000 on wartime basis.

The needs of the Royal Navy governed forest policy.

Then came the Napoleonic wars and the cutting off of the Baltic timber trade. Quebec's lumber industry came into its own. Followed a period of internal expansion and development of the great timber era. The white pine forests of the Ottawa valley were opened. Then came the era of long lumber. Forestry became "big business" and the principal form of economic activity over the greater part of the province.

Toward the end of the 19th century came the next major development, the manufacture of pulp and paper. Conditions were ideal for this; immense regions of standing timber, good water conditions and, above all, huge supplies of low cost hydro-electricity.

Quebec's pulp and paper industry expanded rapidly and soon led all forest industries from the point of dollar value and influence of the social and economic welfare of the province.

Operations Widespread

Today woods operations are carried on in practically every section of the province, but principally in three well defined areas which are also centres of pulp and paper manufacture.

To the north is the Lake St. John-Saguenay region; in the centre of the province the St. Maurice Valley; and to the west the Ottawa-Gatineau section. In between are a number of important lumbering districts, such as the Eastern Townships, the North Shore of the Lower St. Lawrence, the Gaspe Peninsula, etc.

Over 75,000 Employed

There are two main branches of the forest industry in Quebec — lumbering and pulp and paper.

As at November 1 last there were 71,512 workers in Quebec's forest industries. The aggregate weekly pay at that time totalled $1,834,067.

Of the men employed 25,564 were engaged in logging and 14,958 in saw-mills and 30,990 in pulp and paper mills.

Current information on lumbering operations is not available, but in 1941 there were 1,829 mills in operation. They represented a capital of $17.8 millions and had a gross value production that year of $30 millions. Compared to the previous year the number of mills showed little change, but the value of output was up $7 millions, or about 30%.

According to the Bureau of Statistics the lumber cut in Quebec in 1941 amounted to 915 million board feet compared with 4,941 million feet for the Dominion as a whole. In the preceding years the Quebec cut totalled 795 million and the Dominion 4,629 million.

The principal types of wood used in the production of lumber, laths and shingles, in Quebec during 1941 follows:

QUEBEC'S LUMBER OUTPUT—1941

	Quantity M.F.B.M.	Value
Spruce	914,691	$24,401,637
Yellow Birch	530,022	14,196,733
Balsam Fir	87,175	2,741,318
White Pine	81,187	1,883,650
Jack Pine	44,389	868,190
Hemlock	35,514	828,378
Basswood	15,012	472,346
Maple	14,380	443,885
White Birch	13,988	374,264
Red Pine	12,512	362,625

Leader In Pulp Industry

Extensive as are lumbering operations, they are relatively small compared with pulp and paper manufacture.

Quebec has 46 pulp and paper mills compared with 105 in all of Canada. The capital required in this business is enormous, as evidenced by the fact that the investment in these mills, timber limits, etc., amounts to $349 millions.

During 1942, the last year for which complete returns are available, the Quebec mills had a gross output of $168 millions compared with $337 millions for the whole Canadian industry.

PULP AND PAPER INDUSTRY—1941

	Quebec	Canada
No. of Plants	46	105
Pulp	10	28
Pulp & Paper	26	50
Paper	10	27
Capital	$348,981,976	$655,598,196
No. of Workers	18,496	38,251
Sal. & Wages	$ 32,715,297	$ 69,656,393
Fuel Used	$ 9,963,843	$ 20,382,901
Power Used	$ 9,950,982	$ 15,843,519
Pulp Made	$ 97,632,408	$192,145,062
Paper Made	$118,614,967	$230,962,719
Gross Output	$168,294,770	$337,390,484

Shortages Of Manpower

Pulp and paper operations over the past year and a half have been conducted under difficulties due to the shortage of manpower. This in turn has greatly affected the cut of pulpwood and restricted production of pulp and paper. Had it been possible to secure the necessary manpower, production could have been greatly increased, as a ready market existed for all the pulp and paper that could be made available.

Despite the curtailment of operations due to wartime conditions, the relative position of the Quebec industry has remained unchanged in relation to that of other provinces.

More than 50% of all the pulp produced in Canada comes from Quebec mills. The same situation applies to paper manufacture.

This dominance by Quebec as a pulp and paper industry is well illustrated by the following tables.

WOODPULP CONSUMPTION

	Tons 1942	Tons 1941
Quebec	2,193,158	2,377,090
Ontario	1,145,804	1,191,199
B. C	316,256	355,870
Other Prov.	431,622	460,371
Total	4,086,840	4,384,530

QUEBEC PAPER PRODUCTION

	Tons 1942	Tons 1941
Newsprint	1,771,057	1,906,535
Book	45,252	45,004
Wrapping	98,276	98,821
Board	235,574	273,415
Tissue	15,474	13,635
Other	24,167	24,077

PAPER PRODUCTION

	Tons 1942	Tons 1941
Quebec	2,189,800	2,361,437
Ontario	1,314,311	1,354,634
B. C.	313,242	351,485
Other Prov.	424,414	457,170
Total	4,241,767	4,524,776

Owing to the diversity of operations it is difficult to obtain comprehensive and detailed information on the extent of subsidiary operations of the forest industries.

Besides supplying the pulp, paper and lumber industries, Quebec forests maintain some 800 wood using plants for the manufacture of furniture, sashes, doors, boxes and baskets, hardwood flooring, caskets, coffins, cooperage, woodenware, carriages, sleighs and vehicle supplies, boat building, veneers, etc.

Mention also should be made of pulpwood operations. A small army of men are employed in cutting and preparing pulpwood to meet domestic and export demands. In all it is estimated that in an average year over 3 million cords of pulpwood are prepared in the province; in 1942, 4 million cords to the value of $44 millions were produced.

Huge Reserve Of Timber

Great as has been the development of Quebec's forest industries, there is no prospective danger of depleting the timber resources. In 1939 around 450 million cubic feet of Quebec wood was used for lumber, pulp, paper and other purposes. Against this the province has an estimated accessible stand of timber amounting to 43,870 million cubic feet of coniferous and 10,306 million cubic feet of hardwood, or an aggregate of over 44,000 million cubic feet.

With this huge reserve to draw upon, and probably just as much more in regions now considered inaccessible, Quebec has a wealth of timber which will stand it in good stead for many generations to come and which will play a vital part in the economic welfare of the province.

January House Bldg. Gains 65% From 1943

In construction, the year began with a sharp increase for house building as compared with the Jan., 1943, level, and with a $50,000 church addition in Toronto that in the eyes of some industry observers marked a spurt in the pace of relaxation of controls. General types of construction, however, showed a big drop from a year ago.

Construction contracts awarded across Canada in January are valued at $8.78 millions by MacLean Building Reports, as against $11 millions in Jan., 1943, a decline of $3.2 millions or 27%.

Residential construction for the month is put at $3.5 millions, an increase of $1.3 million or 65% over Jan., 1943. Factory construction total is $1.6 millions, down $3.4 millions from last year. Engineering construction, always low in winter, totalled a bare $100,000 as against just under $500,000 in Jan., 1943. Institutional and business buildings are holding up well, the figure for last month being $3.5 millions as against $4.2 for Jan., 1943.

Month's largest individual contract for a $440,000 annex to Edmonton's University Hospital. Government construction along both coasts continued prominent with large contracts for hospitals, military cantonments, etc.

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Value Mines Output at $100 Millions

But Further Growth May Be Deferred Until After the War

Under the stimulus of war demand, all branches of Quebec's mining industry have undergone expansion. Over the past year, however, limited manpower and difficulty in securing work supplies has been felt by certain branches with the result that production has tended to fall away.

Allowing for these conditions, the value of mineral production in Quebec last year was slightly better than $100 millions, a drop of $3.5 millions from the previous period, but higher than any other year on record.

Basic Change Noted

In order to give some idea of its growth, it may be pointed out that, at the close of the last war, the mineral output of the province was almost wholly confined to the so-called non-metallic products and its total value, excluding such building materials as stone, cement and sand, amounted to only $18 millions. Of this, value of asbestos alone was $11 millions. It will be realized, therefore, the output of metallic minerals, such as copper, gold, silver, etc., was a relatively negligible factor.

Complete returns for the mining industry in the past few years have not yet been published since lifting of wartime restrictions on publishing informtaion pertaining to production of essential minerals.

Metals in Majority

An abbreviated report, however, does provide some idea of the tremendous changes which have taken place in the Quebec mining industry since last year.

Of last year's $100 millions production, $60.5 millions represented metals. This, in turn, was broken down to show gold output of $35.6 millions; copper, etc., of $21.2 millions, the balance being made up of smaller and less important items.

Non-metallic production last year had a value of $25.3 millions, represented almost wholly by asbestos production.

Building materials to the value of $15 millions comprised the balance of Quebec's 1943 mineral output.

More detailed particulars of mineral production last year, together with comparative figures for 1942, are set out in the accompanying table.

Promote War Effort

Needless to say, mining operations in Quebec, as in other provinces, have been concentrated on those products for which there is an especial wartime need.

During the early war years gold production bulked largely in Canada's financial plans and every means possible was taken to encourage output of the yellow metal. Following the Hyde Park agreement, gold was no longer so essential and the industry has been left more or less to shift for itself.

But in the case of copper, asbestos and certain other vitally needed minerals, there has been no letup.

Doing Big Job

A huge quantity of copper is produced from the northwestern Quebec mines. Production of zinc, chrome, molybdenum and brucite has been greatly increased.

Probably the most outstanding job has been recorded in the production of aluminum.

Canadian production of this metal, now six times greater than it was in 1939, greater than 1939 world production and comprising 40% of the total requirements of the United Nations, is produced entirely in the province of Quebec. Here, bauxite brought from British Guiana and cryolite imported from Greenland are used to turn out metallic alumina by a process requiring enormous amounts of power.

Some idea of the present extent of operations may be gained from the fact that power employed in producing aluminum is several times greater than that used for all purposes in the city of Montreal, largest urban centre in the Dominion.

New Prospecting Starts

Naturally enough, with all attention directed on the war effort, prospecting for new mineral deposits in Quebec has not been so very heavy. There are indications, however, that a boom in diamond drilling is getting underway.

Meantime the provincial government is carrying on limited geological work. Last year six parties were engaged in geological mapping and study of mineral districts, with a view to opening up new fields for prospecting and mining. In addition, a number of known mineral deposits were studied and mapped in detail, and efforts were directed to the search for minerals immediately or potentially useful to the war.

As a further aid, the Quebec Department of Mines continued the construction, improvement and maintenance of mine roads, and the drainage of a number of peat bogs to assist their development and exploitation.

In addition, the laboratories of the Department continued active; over 10,000 determinations, assays and quantitative analyses of rocks and minerals were performed during the past year.

Postwar Future Bright

Further expansion of Quebec's mining industry after the war is practically a certainty. Only a small area of the province has been explored. What has been done to date constitutes an outstanding record in the development of a natural resource, for since the beginning of this century the value of mineral production in the province has increased 50 times.

The manner in which production has grown in the province is set out below:

Trend of Output

	($000)		($000)
1943	100,830	1936	49,756
1942	104,300	1935	39,141
1941	99,651	1930	51,158
1940	85,000	1925	23,845
1939	77,112	1920	28 392
1938	68,877	1915	11,765
1937	65,203	1910	7,323

Only Part of Story

This table tells only part of the story. It does not tell how metallics, which represented 8% of the value of production in 1927, now represent over 60% of total value. Building materials, which in 1927 represented 53% of the total mineral output, have declined to only 15%, while non-metallic's share of the total has dropped from 39% to 25%.

In 1923 all gold produced in the province could have been held in an ordinary tea cup; copper production could have been carried by two trains of 75 cars each; silver production amounted to just over a ton in weight.

Returns for 1943 — only 20 years later — show an annual output of over 925,000 oz. of fine gold; well over 100 million lb. of copper, and 2.2 million oz. of silver.

Sharp Growth in Output

During the first year of the last war Quebec's mineral production was less than $12 millions. In the first full year of this war production reached the impressive figure of $85 millions, an increase of 1,650%.

There are other countries or provinces which have an annual mineral production of greater value, but few can equal the amazing growth record of Quebec.

Develop Rich Area

Reason for this outstanding performance is to be found in the province's "Valley of Gold," that fabulous 100 miles of gold-bearing area stretching from the Ontario border out through Siscoe, Rouyn, Cadillac, Malartic, Bourlamaque and Pascalis townships.

Practically all of Quebec's producing metal mines are within this 6,000 sq. mile area — 100 miles long and 60 miles wide.

Wartime conditions have tended to concentrate operations in Quebec's mining industry on those metals required for furtherance of the war effort at the expense of new prospecting.

When conditions are back on a peacetime basis, a renewal of exploratory and prospecting work is expected to bring many new mines into production.

During the last war when "war metals" were in great demand at high prices, the gold deposits of western Quebec were almost wholly neglected in spite of the promising appearance of many of the discoveries and their favorable geological setting. At that time, however, and until about five years after, no very large base metal producer had been developed.

Production then consisted mainly of non-metallics and mineral materials. Thus the average value of Quebec's production of metals between 1916 and 1926 was of the order of only $1 million annually, whereas that of non-metallics, including building materials was $20 millions.

It had taken nearly two centuries to reach these figures. Within the next few years the ratio between metallic and non-metallic mineral production was reversed and the whole aspect of the Quebec mining industry changed.

Earlier in the postwar period Edmund Horne staked several claims in Rouyn township. Noranda Mines acquired the Horne claims. In six years Horne's discovery was transformed into one of Canada's leading copper and gold mines.

This success aroused great interest in the region and the province's metal mining industry entered a new era of expansion. Ten years later the Rouyn-Hurricana district had 21 mines yielding copper, gold, silver, zinc, iron pyrites and selenium. Many others have since come into operation.

The ores in Quebec's gold are copper bearing, and as is to be expected, due to the expansion in gold production, the output of copper has shown an equally amazing growth.

Major Copper Producer

The trend in gold and copper production since 1926 can only be described as amazing. From an output of less than 2.7 million lb. in 1926, copper alone has grown to well over 100 million lb. Because of wartime regulations, current output figures are not available, but in 1939 output totalled 118 million lb.

The growth of the metallic mining industry in Quebec has not been a flash in the pan. It has developed along sound lines, fostered and aided by the provincial government.

While the present war has tended to concentrate operations on materials for war, at the expense of new prospecting, it is felt that when conditions are back on a peacetime basis, a renewal of exploratory and prospecting work will bring into production many new mines, while those already established will be reorientated to meet new demands.

New Wealth from Mines

Quebec Mineral Production

	1943 ($000)	1942 ($000)
Metals:		
Antimony, etc. ...	1,635	540
Copper, nickel, lead and zinc ..	21,256	16,749
Gold	35,617	42,054
Silver	1,022	697
Other	980	1,108
Total	60,510	61,150
Non-metallics:		
Asbestos, etc.	23,876	24,682
Feldspar	173	165
Iron oxides	122	147
Mineral water ...	60	60
Peat moss	253	198
Phosphate	16	13
Quartz	670	544
Talc	110	136
Total	25,280	25,945
Fuels:		
Peat	3,250	...
Total	3,250	...
Clay products:		
Brick, tile, etc. ...	1,535	1,741
Cement	4,931	6,487
Lime	2,518	2,324
Sand and gravel .	2,956	2,486
Stone	3,096	4,166
Total	15,036	17,204
Grand total	100,830	104,300

Maple Products Up Quebec Income

For generations the maple trees of the province have been providing Quebec with a highly delectable foodstuff and bringing to owners of the "bush" an annual revenue of over $4 millions.

Quebec accounts for over 80% of the total maple sugar output and more than 60% of the Canadian production. Among the "short" foodstuffs, it has been rationed.

To many of Quebec's farm population, the only sugar they receive from one end of the year to the other is that from their own maple trees or those of a neighboring farmer.

The industrialist, however, is not without his interest in these maple products. In normal times large quantities of maple sugar are used in the manufacture of cigarettes and tobacco. Maple sugar is shredded and mixed with the tobacco in order to attract moisture and thus keep it "fresh."

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Why do Synthetics have such large families?

IN ORDER to give humanity the full value inherent in a single chemical base, synthetic development must ancestor many offsprings. After all, synthetics research starts with the recognition of the basic chemical alikeness of physically unlike things. That is why producers, such as Celanese, develop for the consumer an ever-multiplying variety of products. All these products have two things in common: a chemical or manufacturing relationship and the ability to lessen man's dependence upon Nature's end products for the necessities of modern living.

To those not familiar with the whys and wherefores of synthetics, it seems unbelievable that a telephone handset, a lovely feminine frock and the transparent enclosure of the fighting plane, for instance, all blossom from the same chemical tree. But the unbelievable becomes understandable when the steps in synthetics research are traced.

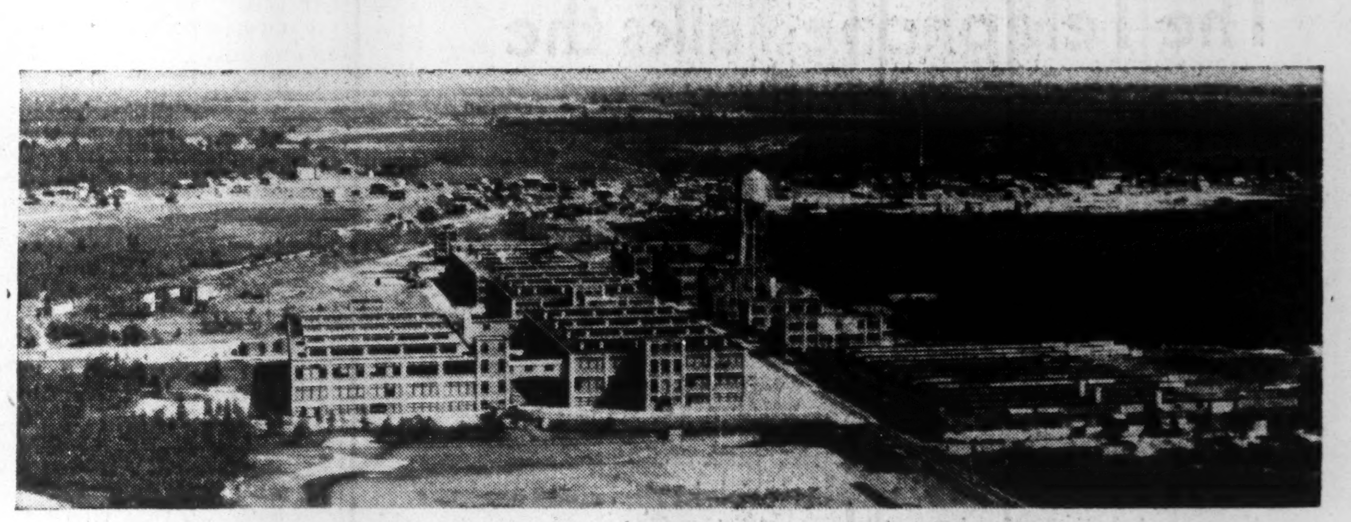
At Celanese, the development of the cellulose-acetate molecule, which boasts such versatility, dates back to the first World War, when a non-flammable airplane wing-dope was the immediate need of military aviation. Later, painstaking and original research forecast a chemical revolution in textiles — *Celanese* yarns, textiles, new dyes and dye processes were developed.* Celanese was raising a family.

Paralleling this research into the potential of the cellulose-acetate molecule, Celanese produced Lumarith* Plastics—new material of unusual toughness and impact strength. In transparent sheet form they have become vital in our war effort today as cockpit enclosures and panels for aircraft. In the form of molding materials, capable of fast production through injection molding and extrusion, they invaded new fields to become bomber control knobs and grips, gas mask parts, paratrooper kits, and hundreds of other fighting and working shapes.

To properly exploit these new synthetic materials, plasticizers, cements and dopes were developed, and then found to possess properties and characteristics which make them important and necessary industrial chemicals, such as lubricant additives, heat-resisting coatings for electrical cables, waterproof compounds, adhesives and dye intermediates.

With continued research, Fortisan* yarn was created. It is stronger, perhaps, than any other yarn known and, upon its development, went to war in the form of shroud lines and fabrics for flare parachutes. Following Fortisan, Celairese* made its debut. It is a staple fibre of unusual lightness and insulating power — ideal for interlinings and comforters.

Thus, it is self-evident that Celanese research, along this one molecular line alone makes it necessary for Celanese to be in the textile business, the plastics business and the chemical business, in order to give humanity the full value inherent in a single molecule.



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Industry Employs 607,000

Over a Third of Dominion Factory Workers Are in Quebec

At the end of last November Quebec industries employed 607,000 workers, or approximately a third of all those employed in Canada. Ontario, with a payroll of 762,159, was the only province to report a larger industrial employment.

During the last week of October these Quebec workers had a weekly payroll of $18.3 millions, equivalent to an annual rate of $950 millions. Average weekly earnings for that particular week was $30.11, a rate exceeded in British Columbia, Alberta and Ontario, on a parity with that paid in Nova Scotia and Manitoba, but above the rate prevailing in Saskatchewan, New Brunswick and Prince Edward Island.

Quebec's Comparative Position

The relative position of industrial employment in Quebec compared with other provinces is set out below:

PERSONS EMPLOYED IN ALL INDUSTRIES
(At Nov. 30, 1943)

	No. of Workers	Total Weekly Payroll	Average Weekly Earnings
P. E. I.	2,380	$ 59,118	$24.84
N. S.	89,443	2,711,749	30.32
N. B.	55,354	1,506,716	27.18
Que.	607,263	18,285,235	30.11
Ont.	762,159	24,900,009	32.67
Man.	93,238	2,803,376	30.07
Sask.	38,429	1,130,600	29.42
Alta.	68,965	2,253,915	32.68
B. C.	180,400	6,299,309	34.92
Total	1,897,661	$59,950,027	$31.59

At the beginning of last November the index of employment of Quebec industries stood at 206.1, or more than double the average reported in 1926—the base year. Compared with the same date in the previous year the index shows an increase of about 5% and over 50% greater than on Nov. 1, 1939.

This gain in the index is common to all the major groups. The greatest advance was made in manufacturing, which arises out of the demand for war materials. This is particularly notable in the index of volume of employment in the iron and steel industry which recorded the extraordinary advance from 94.5 on Nov. 1, 1939, to 402.7 on the same day in 1943.

INDEX NUMBERS OF EMPLOYMENT
1926=100
(At Nov. 1)

	1943	1942	1939
All Manufacturing	250.0	232.5	123.1
Lumber	134.3	133.8	97.0
Pulp & Paper	129.6	123.6	108.3
Textiles	181.1	190.3	147.1
Iron & Steel	402.7	324.9	94.5
Other	279.1	271.7	134.1
Logging	288.6	306.9	354.8
Mining	315.3	307.9	288.9
Communications	98.8	100.1	77.6
Transportation	106.3	98.1	87.0
Construction	124.4	148.0	140.2
Services	190.1	169.8	120.8
Trade	174.3	167.0	145.7
All Industries	206.1	198.1	131.5

Over 607,000 Workers

Translating these index numbers into workers, gives a volume of employment of 607,263 workers, of whom 417,296 were engaged in manufacturing. Construction workers represented the next largest group, followed by trade, transportation, logging, mining, services and communications in the order named.

The average weekly earnings in the Quebec iron and steel industry were higher than for any other group. Transportation was next, followed by mining, communications, pulp and paper, chemicals and construction.

The relative importance of each group in respect to number of workers employed and average earnings follows:

(At Nov. 1, 1943)

	No. of Workers	Total Weekly Payroll	Average Weekly Earnings
Manufacturing	417,296	$13,033,941	$31.23
Lumber	14,958	360,367	24.09
Pulp & Paper	30,990	978,543	31.58
Textile	72,200	1,569,582	21.74
Chemicals	43,035	1,350,964	31.39
Iron & Steel	136,870	5,253,531	38.38
Logging	25,564	495,157	19.37
Mining	14,468	490,192	33.88
Communications	6,948	230,851	33.23
Transportation	38,193	1,332,457	34.89
Construction	51,304	1,418,350	27.65
Services	13,170	248,715	18.88
Trade	40,320	1,035,572	25.68
All Industries	607,263	18,285,235	30.11

Over 900,000 Employed

On the basis of the 1941 census, the Dominion Bureau of Statistics reports on June 2 of that year 3,639,556 males of 14 years and over were gainfully occupied. Of this number Quebec accounted for 971,485, or roughly in about the same ratio as Quebec's population to that for the Dominion as a whole.

In a breakdown of occupations by type, set out in the following table, this ratio of roughly one third is maintained throughout.

GAINFULLY OCCUPIED—MALE

	Quebec	Canada
All Occupations	971,485	3,639,556
Agriculture	255,203	1,111,250
Other Primary	50,205	218,068
Manufacturing	184,451	619,320
Construction	70,033	216,724
Transportation	72,538	279,588
Trade & Finance	87,515	328,208
Professional	37,616	130,061
Public Service	13,937	52,781
Recreational	1,765	8,386
Personal	43,609	155,360
Clerical	60,303	204,839
Laborers	86,035	279,748
Not Stated	8,275	35,223

More Female Workers

A similar situation existed in respect to females gainfully occupied. Of the Dominion total of 839,392 Quebec accounted for 261,290. Significant, however, was the return that more females are employed in manufacturing in Quebec than in any other section, the province accounting for almost half of all those employed in the Dominion. This is accounted for largely by the fact that a large number of girls are employed in the textile industries which centre in Quebec.

GAINFULLY OCCUPIED—FEMALE

	Quebec	Canada
All Occupations	261,290	839,392
Agriculture	3,572	19,066
Other Primary	144	556
Manufacturing	60,207	129,986
Construction	258	818
Transportation	3,548	14,246
Trade & Finance	21,758	83,170
Professional	41,428	129,107
Public Service	689	2,699
Recreational	156	787
Personal	85,683	290,098
Clerical	37,624	155,139
Laborers	5,542	11,806
Not Stated	731	1,914

Montreal's pre-eminence in the economic life of the province is clearly indicated in the breakdown showing the number gainfully employed by urban areas. Over 28% of the male and 48% of the female workers in the province live in the City of Montreal. Well down the list, but ahead of any other centre except Montreal, stands Quebec City, followed by Verdun.

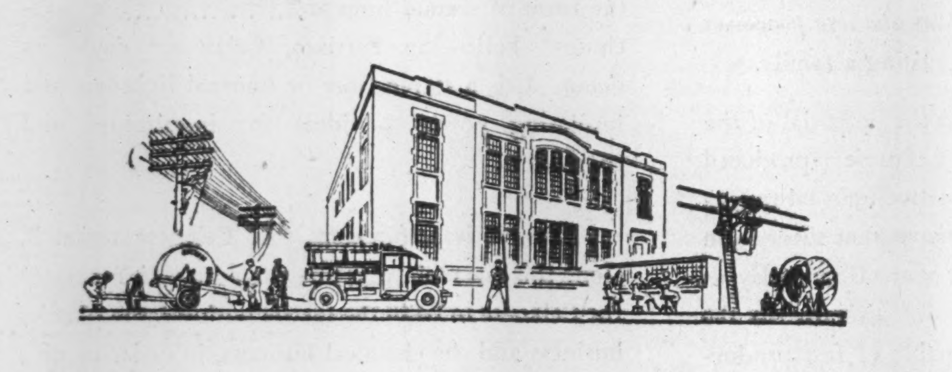
GAINFULLY EMPLOYED—
14 YEARS AND OVER
(As at June, 1941)

	Male	Female
Cap-de-la-Madeleine	2,981	815
Chicoutimi	4,223	1,178
Drummondville	3,220	1,415
Granby	3,872	1,838
Hull	8,653	2,866
Joliette	3,314	1,317
Jonquière	3,588	482
Lachine	6,142	1,947
Levis	2,913	1,125
Montreal	275,224	104,808
Outremont	8,939	4,982
Quebec City	40,021	18,142
Shawinigan Falls	5,330	1,367
Sherbrooke	10,317	5,146
Sorel	3,948	779
St. Hyacinthe	4,725	3,563
St. Jean	4,022	1,605
St. Jerome	2,987	1,305
Thetford Mines	3,244	691
Trois Rivières	11,044	4,116
Valleyfield	5,777	1,890
Verdun	21,098	5,973
Westmount	7,173	5,251

Quebec's Leading Industries

	Plants	Capital	Workers No.	Salaries and wages	Cost of materials	Gross value of output
Pulp and paper	47	$359,437,012	18,670	$ 30,580,539	$ 63,057,485	$166,578,687
Non-ferrous metal, smelting and refining	4	159,710,988	5,502	8,344,710	81,438,892	150,281,059
Cotton yarn and cloth	15	51,456,142	18,031	18,298,177	52,285,808	92,823,043
Clothing, men's, factory	216	31,611,786	15,684	15,542,983	41,473,937	67,353,152
Clothing, women's, factory	382	25,923,550	16,469	15,870,045	38,530,342	64,366,368
Miscellaneous chemical products	55	106,850,254	19,049	24,096,162	24,862,656	60,140,852
Railway rolling stock	9	48,747,009	13,850	23,179,593	28,960,669	55,346,274
Slaughtering and meat packing	29	13,890,394	2,678	3,494,020	43,152,194	49,764,770
Tobacco, cigars and cigarettes	54	56,984,341	7,929	7,621,451	22,692,886	46,918,972
Butter and cheese	1,120	18,059,488	5,458	4,357,071	36,828,220	46,175,003
Petroleum products	7	26,656,036	1,142	2,192,092	37,820,739	44,455,163
Electrical apparatus and supplies	29	34,827,334	9,262	12,977,550	18,034,131	40,600,754
Brass and copper products	36	23,159,454	4,710	6,947,327	23,783,386	38,651,457
Shipbuilding	10	37,879,878	7,380	10,062,681	18,107,428	38,292,265
Boots and shoes, leather	124	18,061,896	12,130	10,705,656	19,965,830	34,830,992
Machinery	41	33,259,413	6,660	10,832,927	14,514,751	32,668,972
Aircraft	6	16,405,056	9,626	15,610,564	8,080,841	30,893,500
Sawmills	1,829	17,781,350	10,063	8,108,758	17,063,772	30,000,903
Silk and artificial silk	22	27,819,663	7,287	7,617,203	12,601,666	29,788,071
Hosiery and knitted goods	64	19,556,242	9,426	8,028,778	14,334,185	28,003,408
Bread and other bakery products	992	13,812,438	6,749	6,539,812	11,730,878	24,308,222
Breweries	8	27,976,115	2,196	3,786,515	13,843,348	23,562,333
Bridge and structural steel	5	11,086,831	2,646	4,886,811	6,859,522	22,543,780
Primary iron and steel	16	24,412,005	4,907	7,596,337	9,485,453	22,538,137
Rubber goods, incl. rubber footwear	17	10,564,111	4,891	4,776,985	9,822,280	21,620,263
Foods, miscellaneous	68	12,310,772	1,457	1,791,006	13,447,416	20,878,573
Biscuits, confectionery, cocoa, etc.	54	11,489,826	3,721	3,596,931	11,044,423	19,764,445
Sheet metal products	32	18,143,611	3,203	4,077,750	10,865,174	19,081,193
Hardware and tools	34	13,480,482	2,955	4,043,349	4,372,291	16,916,933
Aerated and mineral waters	163	10,663,648	2,255	2,604,835	5,809,866	16,619,160
Printing and publishing	74	13,392,143	4,740	6,843,807	3,970,166	16,490,564
Paints, pigments and varnishes	26	15,015,803	1,594	2,572,290	9,090,717	16,305,885
Castings, iron	50	18,019,385	3,326	4,842,127	6,766,925	15,966,696
Flour and grist mills	184	6,549,214	888	1,205,582	13,019,259	15,927,640
Acids, alkalies and salts	9	20,149,969	2,161	3,584,759	7,998,726	14,542,579
Medicinal and pharmaceutical preparations	68	11,672,573	2,028	2,801,499	5,805,970	14,190,260
Miscellaneous textiles, n.e.s.	10	11,669,429	1,403	1,976,120	6,919,657	13,431,367
Furniture	91	8,931,573	3,827	4,203,341	5,564,603	13,013,540
Iron and steel products, n.e.s.	47	28,644,917	2,939	4,367,230	2,608,415	12,986,101
Fur goods	159	8,088,242	2,057	2,606,946	9,078,075	12,821,676
TOTAL, LEADING INDUSTRIES	6,206	1,424,150,373	260,949	321,172,319	785,692,982	1,501,443,012
TOTAL, ALL INDUSTRIES	8,711	1,700,527,405	327,591	393,819,671	961,162,209	1,841,088,523
Percentage of leading industries to all industries	71.2	82.7	79.7	81.6	81.7	81.6

NOTE: Statistics for Sugar Refining, which is also one of the leading industries of this province, cannot be published because there are fewer than three establishments reporting.



The Telephone Talks the Language of Quebec

Since the war began, over 60,000 Bell Telephones have been added in the Province of Quebec. This growth reflects only faintly the giant contribution the Province is making to the national war effort.

But this constant demand for service has called all spare telephone facilities into use, and the fact that telephone materials are also war materials has prevented the construction of adequate new telephone plant.

Early in 1942, the Wartime Prices and Trade Board wisely issued an order requiring sharp limitations on telephone installations. As a result, the number of telephones added since then has fallen far below earlier levels.

Now in 1944, telephone users are being asked to avoid non-essential telephone calls, and to be as brief as possible when they do call.

Fewer and shorter calls will help the telephone to serve you better while it carries the load of wartime messages.

THE BELL TELEPHONE COMPANY OF CANADA

Niagara Institute Elects 1944 Officers

The following directors and officers of the Niagara Industrial Relations Institute were re-elected recently in St. Catharines, at the first annual meeting of the organization which is representative of employers throughout the Niagara Peninsula:

DR. H. G. FOX, K.C., St. Catharines, was re-elected president;

R. C. JAYNE, Welland, first vice-president;

RICHARD YATES, Port Colborne, 2nd vice-president;

H. C. BLENKHORN, St. Catharines, secretary-treasurer.

Other directors are:

T. J. COOK, St. Catharines;

J. W. PRIMEAU, Merritton;

GEORGE COX, Niagara Falls;

SHARMAN K. LEARIE, St. Catharines, manager of the institute.

L'ASSOCIATION DES COURTIERS EN VALEURS DE PLACEMENTS DE QUEBEC

THE QUEBEC BOND DEALERS ASSOCIATION

Has Long Range Plan For More Industrialization

Quebec has set up a long range plan for her further industrialization, through more intensive exploitation of her mineral, timber and other resources. This work is being carried out by the Dept. of Municipal Affairs, Trade and Commerce.

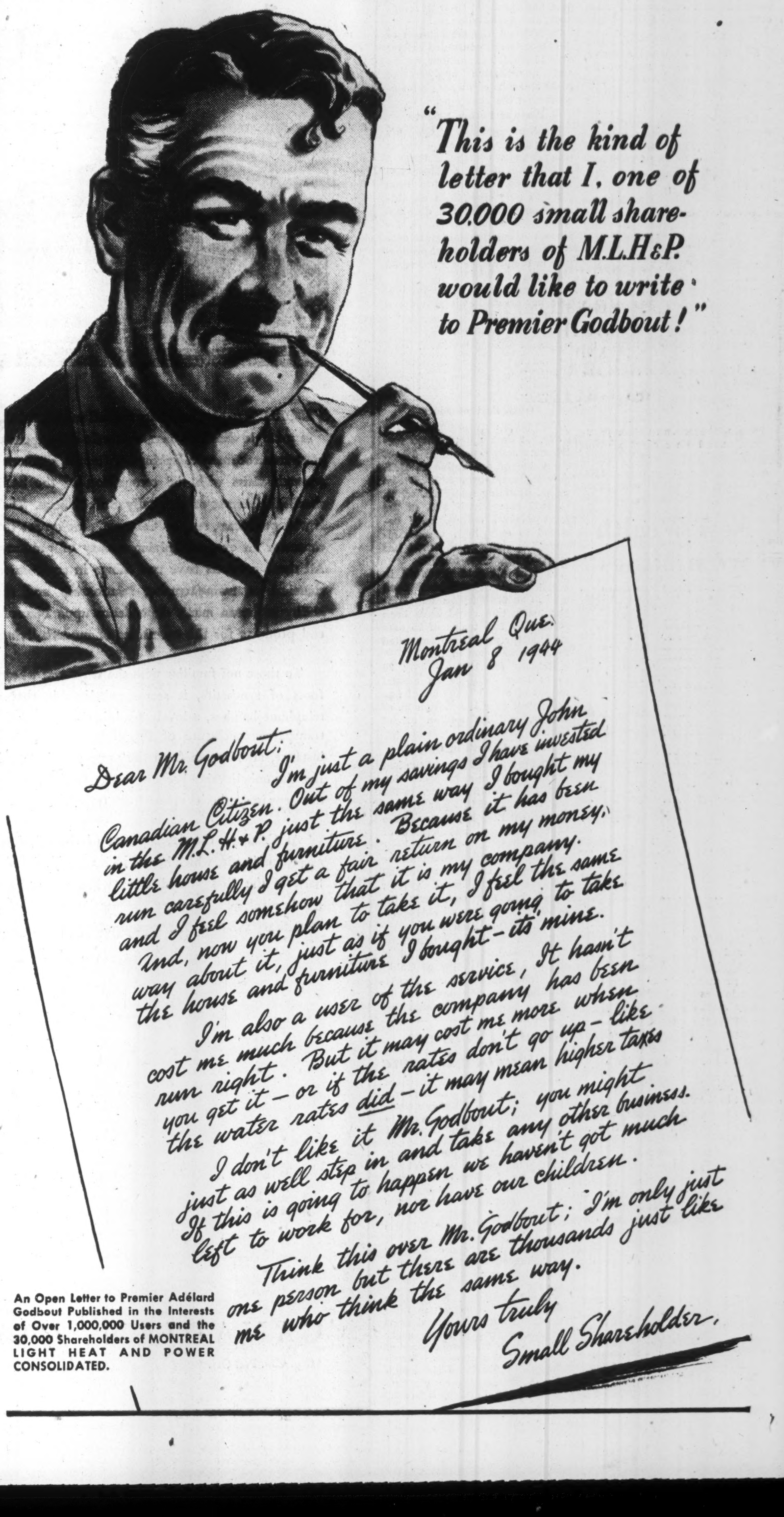
Wartime conditions have only indirectly hindered progress of this plan. At the same time, however, the needs of war have not only encouraged but speeded up the Department's program so that when hostilities cease, it will be able actively to campaign for new industries.

Under legislation adopted in 1940, Quebec decided to establish commercial agencies at Ottawa, as well as in foreign countries. These were set up by the Government under the direct supervision of the Department to contribute to development of commercial relations between foreign buyers and Quebec producers; have undertaken specific enquiries regarding its products in order to create new markets; keep the trade generally informed regarding current requirements; soliciting new foreign capital in an endeavor to bring new industries into the province and to promote the growth of the tourist trade.

In conjunction with the Canadian Manufacturers' Association, the Canadián Chamber of Commerce and the Dept. of Munitions & Supply, the Department's commercial intelligence service undertook a survey of the province's industrial resources to ascertain what industrial plants could be utilized for war production. This survey produced an inventory of the manufacturing possibilities of each local industry, as well as the material and labor available to meet war requirements.

The Government is now also making an inventory of the province's natural and economic resources by the Bureau of Economic Research, which has on its staff technicians loaned from technical schools and from the departments concerned.

In the postwar period it is anticipated the Dept. of Municipal Affairs, Trade & Commerce, will become one of the major agencies of the Government in arranging for the transition from war to peacetime when an era of tremendous industrialization is anticipated.



Textiles Enough to Clothe a Nation

Major Proportion of Industry Centres in Quebec

Canada's textile industry, largely centred in Quebec, has done a notable war job. Its transition from peace to war production has gone on quietly but rapidly, and the mills have achieved an outstanding record in meeting war requirements.

The wartime job of the textile industries has passed the peak. Sufficient reserves have been accumulated to take care of military needs for some time. As a result there has been heavy cancellation of government contracts in certain branches of the industry. Some divisions, however, continue active on war work and likely will continue to do so for some time.

Facing New Problems

In effect the textile operators are now struggling to meet civilian demands. It is not easy. While a larger share of over-all output is now available to civilians, more textile goods will not necessarily be put on the market.

Fact is now that labor shortages, both skilled and unskilled, are common in all plants. Certain types of materials, such as silk, rayon, nylon and wool continue in short supply.

By no means are all of the production facilities of the textile industry employed. However, with the labor supply available, the industry has managed to turn out a sufficient volume of production to first take care of all the requirements of the armed services, and, secondly, to meet essential civilian needs.

To date the Government has placed orders with the industry for clothing and textiles to a value of around $300 millions. These cover hundreds and even thousands of items without which the more spectacular weapons of war, ships, aircraft, tanks, guns, munitions, etc., would not function. They are equally essential to the more than 700,000 sailors, soldiers and airmen in Canada's armed forces.

In textiles Quebec is a major producer and has produced, among other supplies, millions of uniforms for the armed forces of the Dominion. Above, a woman worker sorts army uniforms.

Big Share to Quebec

A large share of the credit for the textile industry's wartime job must go to the mills in Quebec.

By far the largest part of the primary cotton textile industry is located within the province.

Here also is the centre of the silk and rayon industries.

A large share of the woollen trade operates in Quebec.

Canada's only linen preparing mill is located here.

Garment manufacturing centres in this part of the Dominion, as do the knit goods and many other branches of the industry.

Quebec's place in the textile industry is unique. There are in operation over 925 plants, capital investment in which amounts to more than $150 millions.

Measured in terms of employment and wages, a yardstick which is of the most direct interest to the people of the Dominion, the textile industry ranks first among manufacturing industries in Quebec in numbers employed.

At Dec. 1 last there were 72,898 workers employed. This contrasts with 415,305 in all manufacturing industries in the province and with 136,934 workers in the whole Canadian textile industry. Percentage of employment is seen in the following table for the years 1938-43:

Textile Employment in Quebec
(As at Dec. 1)
1926=100

1943	187.7
1942	190.2
1941	186.1
1940	168.9
1939	149.2
1938	132.2

As regards wages and salaries, the textile workers received $1.6 millions for the week of Dec. 1, 1943. This contrasted with $13 millions for all manufacturing in Quebec and with $3.1 millions for all workers in the Canadian textile industry.

Other yardsticks give different results. Textiles stand only fourth in the number of plants and only third in the amount of capital invested in mills and machinery.

Has Long History

Quebec's dependence on the textile industries for employment results both from its maintained lead in older branches of the industry and from the rapid development of some of its newer branches.

Since early days, the Canadian cotton industry has been centred in Quebec and now has over 20,000 people on its payrolls. The mills account for nearly three quarters of the cotton output in Canada.

The newer rayon and artificial silk industries, which have seen such a marked development in the past generation, are almost equally predominant.

Knitting of hosiery is another large textile enterprise in which the province contributes almost 60% of the Canadian output There are also the knit goods plants, which are heavily represented.

Has Half of Plants

Roughly speaking, about one half of the textile plants in the Dominion are located in Quebec Province. The policies established by the companies in this area very largely determine those for the balance of the industry.

Though the metropolitan centre of Montreal is the location of several mills, the greater part of the activity is in and around the territory known as the Eastern Townships. Throughout this area and along the north shore of the St. Lawrence, may be found many cotton, silk or synthetic silk manufacturing plants. Among the more prominent operators are Dominion Textile Co., Canadian Celanese at Drummondville; Belding-Corticelli at St. Hyacinthe, Coaticook, St. Johns; Associated Textiles and others.

The woollen and knitgoods industries have their representatives in Quebec. At Sherbrooke is located one of the oldest and largest woollen mills in the Dominion, that of the Paton Manufacturing Co. At St. Jerome the Regent Knitting Mills has a modern plant, while at St. Hyacinthe, Penman's operates a large factory manufacturing a wide line of knitted goods and woollens.

However significant the textile industries are to the province as a whole, their welfare is a matter of utmost importance in those communities which textile employment has built into important industrial centres.

Create New Communities

There are textile mills in over 15 towns. In some, textiles are the sole or most important source of employment. Perhaps the unique feature is the number of formerly almost rural areas which have developed in this way in the last 15 years, quite outside of Montreal or other old established urban centres.

The development of the city of Drummondville is a good example of such growth throughout the Eastern Townships and elsewhere. Less than 20 years ago there was one textile plant at Drummondville, employing about 100 people. Now there are five important concerns employing among them over 5,000 people.

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Forests Prove Life Saver

From Our Own Correspondent

MONTREAL.—Swedish pulpwood stocks have been built up to normal size again and shortly it is expected that a normal supply of chemical pulps of various types will be on hand at the mills, according to Goesta A. Hall, a member of the Swedish Trade Mission now in the United States with the object of reestablishing trade relations.

Discussing the position of the forest industries in Sweden, Mr. Hall stated that since shipping facilities were disrupted in April, 1940, his country has to rely upon the forests to replace British coal and American gasoline fuel supplies.

The industry has gone much further than that for, declared Mr. Hall, it has proved a virtual lifesaver for Sweden.

"We are heating our houses with wood; we are driving our automobiles with charcoal from the forests; we have been feeding our cattle with wood cellulose; we are packing a good many products in paper sacks which were previously put in jute bags; the farmers now use paper string for their 'self-binders' as a substitute for sisal string; we are drinking the well-known Swedish 'snaps' made exclusively from alcohol produced in the pulp industry and, what is the most important of all, we have been able to supply many vital defense needs by aid of our forests. I do not think I am revealing any military secret if I say that our tanks and aeroplanes are to a large degree running on alcohol produced from our trees."

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Hydro Power Plays Dual Role

Quebec Industry Vital in War and Peacetime

With over half of the developed hydro power in Canada, Quebec central electric stations hold a key position in war and peace.

Power is vital to the war effort. It is needed for the highly important supply of aluminum, copper, lead, zinc and other essential metals.

It is needed for the factories, making munitions, aircraft, ships, guns, motorized equipment and even uniforms.

That there has been no shortage of power is due to the magnificent effort put forward by the hydro power industry in Quebec. It has anticipated demands of an extraordinary character through a high degree of technical skill, the close integration of transmission systems and the development of new

Conservatively estimated, Quebec has diverted at least two million h.p. of hydro-electric energy for direct war purposes. This is more power than is now available in all the rest of Canada outside of Quebec and Ontario. It is equivalent to roughly 25% of all developed power in the Dominion.

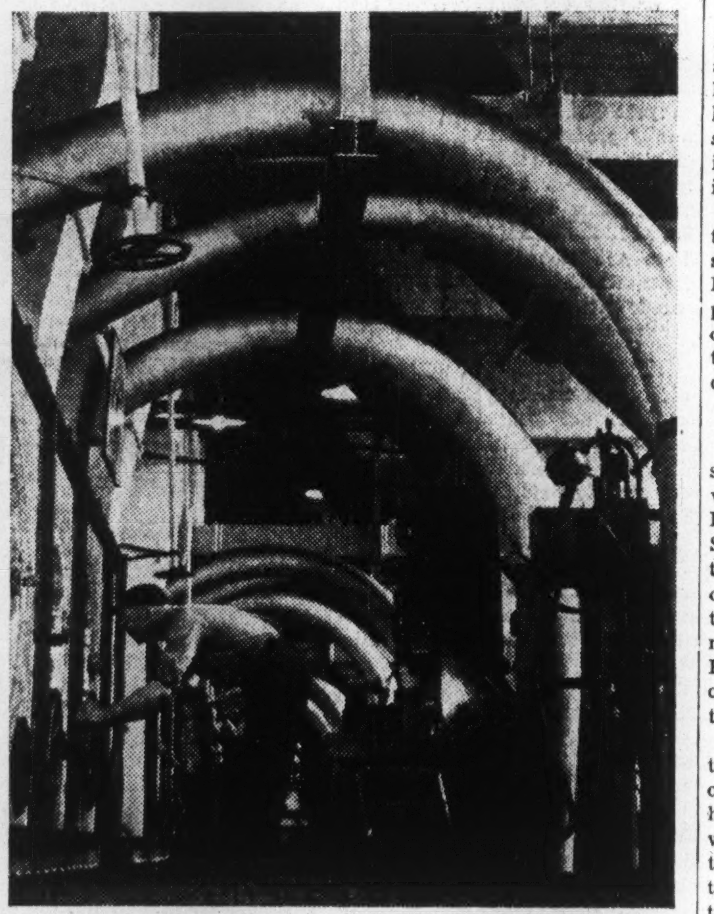
During the last 4½ years the power resources of Quebec have been diverted to one end, namely, meeting the nation's wartime needs. The abnormal demand for power has been met largely by expansion of productive facilities. Thus, when the war ends, Quebec will have a huge pool of surplus capacity which may possibly attract to the province many large industries anxious to have large blocks of cheap power.

Possibilities in this direction are of the greatest importance to future economic development of the province. At the same time, however, it must be recognized that in this surplus capacity Quebec has a contingent liability of major size if a market should fail to materialize for the surplus power.

Since start of the war Quebec's primary concern has been in meeting war-created demands.

Fortunately at the outbreak of war Quebec was struggling with the problem of this excess power capacity. This condition arose largely from the policy of the industry building in anticipation of needs. Had this power not been available, Canada's industrial war effort would have been seriously handicapped. As it was, Quebec had the power available when needed. Consequently the Dominion Government undertook to establish many large war industries within the province, while the existing industrial facilities were expanded to meet wartime needs.

A similar wartime industrial program was undertaken in Ontario for the same reason, though that province was dependent upon Quebec for a large share of the power supplied to its new war plants.



Pulp and paper plants in Quebec are the largest in the world. This is a section of the power plant. From the standpoint of number employed and wages paid, pulp and paper industry is greatest in Canada. It supports a half million Canadians.

Wartime needs quickly absorbed surplus capacity. Demands did not stop there and the Quebec power industry was called upon to make available electrical energy in such quantities as would earlier have been found impossible.

To this end non-essential use of power was first eliminated. Work hours in certain industries, large consumers of power, were staggered to release energy for war industries. Power systems were inter-connected. Commercial use was limited. Domestic users were asked to do their share in saving energy. Water storage reservoirs were built or increased in capacity.

By these and other means the industry was able to make available a large block of energy without actually adding to productive capacity. Still the demands were such that it would not have been possible to meet war requirements without additional capacity. The huge St. Maurice Power Corp. development, started before the war, came into production in 1940. Later a new unit was added to this plant, as was also the case with the Rapide Blanc plant of the Shawinigan Water & Power Co. The Aluminum Power Co.'s plant at Chute-a-Caron was improved and new units installed. Finally the Aluminum Power Co. undertook the huge 1.2 million h.p. development at Shipshaw, work on which was completed only last December.

Since start of the war it is estimated that capacity of Quebec's water power plants has increased at an average of 400,000 h.p. annually.

Over 5.7 Million H.P.

At present Quebec's power industry has an installed capacity of a little over 5.7 million h.p., or 1,717 h.p. per thousand of population. This represents more than 56% of Canada's developed water power.

The province is now producing 50% more kw.h. of electrical energy than in 1940.

Currently production is averaging around two billion kw.h. monthly, or more energy than was produced in all Canada just a few years before the war.

For all of 1943 central electric stations produced 40 billion kw.h., of which Quebec accounted for 23.5 billions. The year before Canadian production amounted to 37 billion kw.h. and that of the Province of Quebec 20.7 billions.

CENTRAL ELECTRIC OUTPUT
(Thousands of Kilowatt Hours)

	1943	1942
P. E. I.	10,333	9,599
N. S.	571,553	503,169
N. B.	502,820	485,196
Quebec	23,461,661	20,753,337
Ont.	10,282,700	10,142,115
Man.	1,754,282	1,629,560
Sask.	695,973	650,716
Alta.	501,003	415,830
B. C.	2,597,324	2,609,660
Total	40,377,649	37,199,182

Steady Rise in Output

A breakdown of the monthly production of electrical energy in Quebec for 1943, with comparative figures for 1942 and 1941 follows:

POWER OUTPUT IN QUEBEC
(Thousands of Kilowatt Hours)

	1943	1942	1941
Jan.	1,744,355	1,746,074	1,350,870
Feb.	1,653,989	1,528,150	1,245,045
March	1,865,539	1,766,001	1,374,267
April	1,845,302	1,715,461	1,432,222
May	2,036,909	1,793,509	1,490,490
June	1,999,593	1,749,431	1,329,568
July	2,046,452	1,706,687	1,405,833
Aug.	2,055,354	1,719,639	1,367,794
Sept.	2,019,194	1,661,934	1,561,197
Oct.	2,144,900	1,741,727	1,722,889
Nov.	1,989,135	1,728,465	1,760,644
Dec.	2,060,939	1,788,841	1,736,371
12 mos.	23,461,661	20,753,337	17,777,290

Largest Power Consumer

Not only does Quebec account for the largest proportion of the Dominion's total power output, but it is also the largest consumer of primary power. In 1943 the primary power needs of all Canada amounted to 35.7 billion kw.h. Quebec's share of this amounted to 17.9 billions.

FIRM POWER CONSUMPTION IN QUEBEC*
(Thousands of Kilowatt Hours)

	1943	1942	1941
Jan.	1,357,968	1,239,554	889,378
Feb.	1,284,289	1,091,960	820,793
March	1,441,842	1,241,839	929,575
April	1,392,514	1,215,760	894,694
May	1,498,121	1,221,087	914,076
June	1,466,457	1,201,655	930,192
July	1,536,870	1,246,853	950,033
Aug.	1,559,202	1,286,810	969,123
Sept.	1,541,134	1,250,932	1,044,144
Oct.	1,662,003	1,324,212	1,132,800
Nov.	1,566,387	1,321,012	1,110,860
Dec.	1,629,051	1,374,618	1,164,180
12 mos.	17,935,837	15,114,063	15,830,130

*Output less exports and deliveries to electric boilers, plus imports.

Equally important is the part the power industry plays in Quebec's peacetime economy.

The timber resources of the Lake St. John and Saguenay regions, the upper St. Maurice and the Gatineau and Lievre river valleys would never have reached their present stage of development had it not been for the close proximity of immense resources of water power.

Nor would the mining industry of Quebec have grown so amazingly in recent years, nor the multitude of manufacturing industries.

Huge Power Resources

Quebec, like Ontario, while having an abundance of natural resources, lacks coal. On the other hand, it is rich in water power and hydro-electricity has been used successfully and in huge quantities for motor power, steam, lighting and domestic uses.

The immense watershed from the Laurentians and the flow southward to the St. Lawrence River creates numerous water power sites of first magnitude, not only close to large industrial centres, but extremely economical of development.

Power Well Located

These resources, while widespread, are concentrated in several well-defined areas. In the north Lake St. John flows into the Saguenay which in turn is fed by the Shipshaw, Peribonka and other important rivers. Here are the huge power plants of the Aluminum Power Co., the Saguenay Power Co., Price Bros. & Co. and other operators, generating nearly two million h.p.

Moving up the St. Lawrence to the St. Maurice River there is one of the largest concentrations of hydro-electric energy in the world. Through construction of the Gouin and subsidiary dams, the flow of this river is regulated to make possible the development of over two million h.p. At present several sites have been developed with an installed capacity exceeding a million h.p.

Plenty of Energy

In the Montreal region the outstanding development is Beauharnois, with an installation of nearly 750,000 h.p. Nearby is the huge Cedar Rapids plant and the smaller Lachine Hydraulic Canadian Light & Power Co., and on the back river, the Montreal Island Power Plant.

In the Eastern Townships of Quebec are a number of power developments. While relatively small, still in the aggregate the amount of power made available has been a major factor in the industrial development of that area.

Along the Ottawa Valley are a number of major plants, including three large power plants — the Gatineau Power Co., the Ottawa Valley Power Plant at Chats Falls and the MacLaren Quebec unit on the Lievre River.

Quebec Power Sets Pace

POWER PRODUCTION

	Jan.-Sept. 1943—kw.h.	Jan.-Dec. 1942—kw.h.
Total generation	17,324,032,423	20,887,106,405
Total sales	16,500,789,706	19,686,006,351
Primary sales in Quebec	12,187,519,372	13,969,044,247
Export (primary)	3,590,451,091	4,834,836,347
Secondary sales in Quebec	722,819,243	883,125,757

PRIMARY ENERGY SOLD IN QUEBEC

Class of service	Jan.-Sept. 1943—kw.h.	Jan.-Dec. 1942—kw.h.
Domestic	261,088,658	333,685,102
Commercial	213,359,309	309,698,968
Industrial	11,420,808,577	12,951,691,265
Municipal and street lighting	116,067,282	148,383,092
Transport	143,257,858	177,648,921
Wholesale to municipalities	32,937,688	43,016,899
Total	12,187,519,372	13,969,044,247

REVENUES FROM SALES IN QUEBEC

	Jan.-Sept. 1943	Jan.-Dec. 1942
Domestic	$ 7,511,411.50	$ 9,698,335.91
Commercial	5,632,160.52	8,274,503.24
Industrial (primary and secondary)	32,402,446.27	42,504,713.22
Municipal and street lighting	1,340,168.34	1,851,641.41
Transport	1,021,621.00	1,298,419.36
Wholesale to municipalities	271,704.16	403,095.73
Total	48,179,511.79	64,020,702.87

REVENUES FROM EXPORT SALES

	Jan.-Sept. 1943	Jan.-Dec. 1942
Primary energy	$ 9,847,127.00	$12,778,293.00

BCER Project Still Interests Municipalities

Prepare 11-point Questionnaire to Submit to Government

From Our Own Correspondent

VANCOUVER.—Some of the larger cities and municipalities of British Columbia are still interested in acquiring the properties of the B. C. Electric Railway, despite the cold water thrown on the project when Premier John Hart announced recently that the Provincial Government had no intention of initiating the move.

A conference is being arranged between the premier and the municipalities, when the issue will probably be clarified to some extent. The municipalities have framed a series of questions for submission:

What They Want To Know

1. Would the province or the municipalities be responsible or would there be joint partnership?

2. Would the Government establish a hydro-electric commission to produce and generate power, the municipalities handling distribution?

3. Would the province pass legislation to compel the B.C. Electric to give free access to its books, assets, holdings, etc., for investigation by a committee of experts?

4. What would the major basis for price fixing be? Would it be based mainly on earning power, which has increased greatly since the war and might be expected to decrease in peacetime? Would it take into consideration the large part of the equipment which would be "dead and obsolete" in a short space of time?

5. How would the municipalities group themselves, as one complete municipal partnership or divided into geographical areas, as the lower mainland and the south end of Vancouver Island?

Power Development

6. Is there any possibility of developing power in the Fraser River, in a project similar to the Coulee Dam, which would open up additional land for irrigation?

7. Should municipalities burden themselves with gas companies which in some areas are supported by Electric's earnings?

8. Can municipalities take over the interurban systems without also acquiring other privately operated methods of transportation such as bus lines which would be in competition?

9. Are municipalities primarily interested in acquiring public light and power as a means of supplying efficient service at the lowest possible rates, or do they look upon the acquisition as a profit-making venture which would result in lowering taxes.

10. Does there exist in the lower mainland any further means of expanding the service by waterpower, or is the steam generation cheaper and more effective?

Ease Building Curbs

The Controller of Construction won't say no if the spot you select is in the midst of an evident shortage and if you forebear to bring forward that plan for a $15,000 Shangri-La.

He will probably allow you to go ahead if you keep down to 1,000 sq. ft. per story for a two-story house (about 32 ft. each way) or to 1,300 sq. ft. for a single story (about 36 ft. square). If this size limitation seems tough, consider the fact that until a few weeks ago the Controller wasn't permitting more than 700 and 900 sq. ft. areas. Moreover, until recently, inclusion in the computation of any attached single story garage or open porch was demanded; it isn't now.

And if you hanker to crowd in a second bathroom the C. of C. now will go part way with you. He will let you install the pipes but you must wait for the fixtures.

Relenting even further — in response to late-war easing of the metals and materials shortage—the Controller has dropped his order No. 12 of Sept., 1942 and will now permit use of higher grade materials and fittings to give your structure utility, durability and appearance.

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Canadian Industrial Alcohol Co. Ltd.
Canadian Industries Limited
Canadian Oil Companies Ltd.
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Colgate-Palmolive-Peet Co. Ltd.
Cumming Perrault Limited
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Fleischmann's Co. of Canada Ltd.
General Motors Products
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Imperial Oil Ltd.
Imperial Tobacco Co. of Canada Ltd.
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Montreal Tramways Company
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Nestle's Milk Products Ltd.
Nova-Kelp
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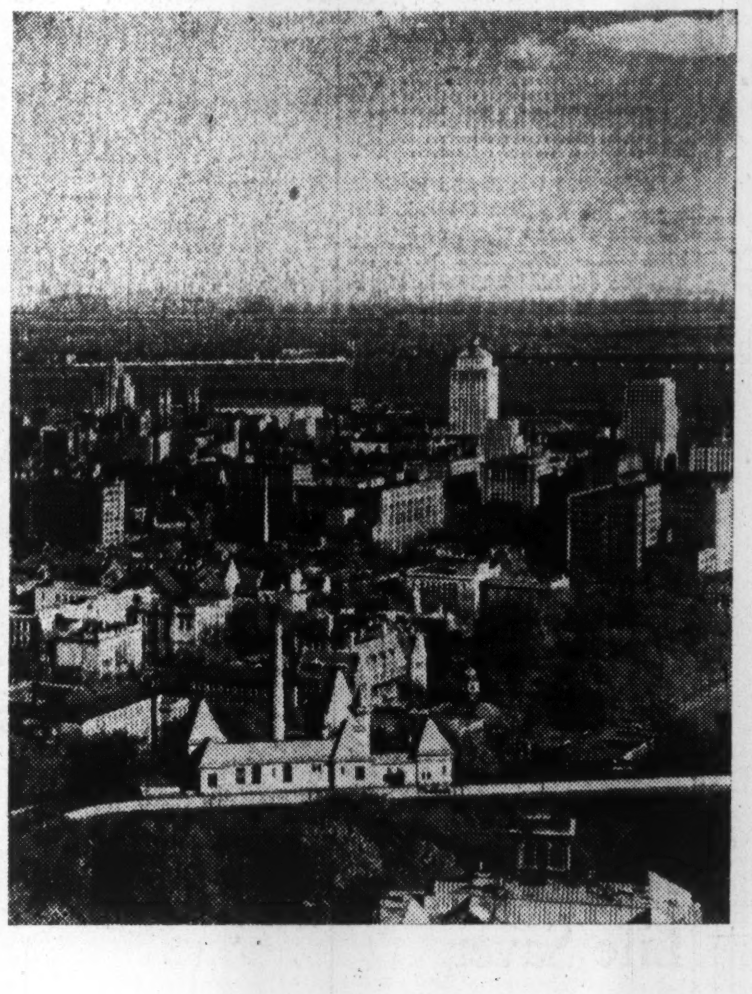

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MONTREAL

Assets for Post-War

In War, as in Peace, Montreal's leadership as the chief industrial centre of the Dominion is again to the fore. The reasons are manifold but can be summarized under the following headings:

TRANSPORTATION — The Harbour of Montreal ranks as the largest inland seaport of the world; while the City itself is the hub of a vast network of interconnecting railroad systems. By water, rail, road and air, Montreal's shipping facilities are without parallel elsewhere in the Dominion.

POWER—The Province of Quebec is the greatest producer of water-power in the Dominion and has the largest potential reserve. Montreal is the centre of the power industry and its greatest consumer.

LABOUR — Montreal is a city where labour is possessed of high manual dexterity. Intelligent and industrious workers characterize the City's pre-eminent role as an industrial centre.

FINANCE — Montreal's business leaders and financial institutions have initiated the majority of Canadian developments for well over a century.

MATERIALS—Sources of most raw or processed materials are readily available, while supply and equipment houses organized to meet the needs of industry, large and small, are an integral part of Montreal's unequalled industrial facilities.

MARKETS—Montreal is the centre of an exceptional home market and from its factories there flows a national distribution of easy and economical access. It is Canada's gateway to tremendous British Empire outlets.

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Retail Trade Passes $800 Millions

Spending Power Booms Due to Wartime Activity

Merchandise trade in Quebec now exceeds $800 millions, the highest ever reported.

The spending power in Quebec over the last three years has grown at a rate comparable to that of any other section of the Dominion. With the current industrial payroll averaging over $19 millions weekly, a huge flood of buying power has been created and which has not been wholly checked by the increase in income taxes.

Today there are over 600,000 industrial workers in the province, a number double that at the beginning of the war. The unemployment problem has disappeared. Hundreds of thousands of workers have been re-established in gainful occupations. Those employed have had their hours of work lengthened, wages increased and given a cost-of-living bonus to compensate them for the higher cost of living.

Fill Deferred Wants

The long deferred buying power of the masses has made itself felt strongly, especially in the last three years. As the head of the family resumed work, surplus earnings went into buying durable goods such as furniture, radios, electrical appliances, automobiles, etc. Once these needs were met, the spending then moved into the class of luxury goods.

Demands have been of such proportion that even under ordinary circumstances merchants probably would have found difficulty in maintaining adequate supplies. With the Government conserving certain materials and diverting others from non-essential to essential products, shortages have developed in many lines.

A year ago these shortages were confined to relatively few lines, but the increased diversion of materials into war products has made itself much more apparent. New supplies are more and more difficult to get. Many well-known lines are off the market. Others are available only in limited quantities.

Trade Near Peak

At this stage it would appear that merchandise trade in Quebec, as in other provinces, has about reached a peak. This assumption is based upon two factors: (1) a definite limitation in the supply of materials available for civilian consumption and (2) the peak of industrial war employment appears to have been reached, if not passed.

The extent of the increase in merchandise trade in Quebec last year cannot be judged as yet on a dollars and cents basis. Some time will necessarily elapse before these figures are available. Meanwhile it is possible to gauge the extent of the gain in trade through the index of retail sales published by the Dominion Bureau of Statistics.

Taking 1935-39 as the base period, the index for each of the six major types of retail sales has recorded a moderate advance in November, 1943, over the like month of 1942. Compared with the index for November, 1939, those for November last are substantially higher.

—National Film Board photo.

Evening in the bunkhouse. Quebec loggers and other skilled workers in the forest industries have been in keen demand especially since war stimulated the market.

INDEX OF QUEBEC RETAIL SALES
1935-1939=100

Type of Store	November 1943	November 1942	November 1939
Men's Clothing	193.8	189.3	118.4
Women's Clothing	180.1	170.3	108.8
Grocery & Meat	153.8	148.1	103.5
Department	207.1	187.0	121.9
Variety	201.8	212.0	120.1
Drug	166.3	146.9	107.1

The larger volume of trade is reflected also in the index of country general store sales. As will be seen in the following table, the volume of trade increased steadily throughout 1943, reaching a peak of 183 in December, at which point it was on the same level as for the Dominion.

In a more significant comparison the country general store sales index of 183 last December was well above that for the like month in any of the preceding four years.

INDEX COUNTRY GENERAL STORE SALES
1935-1939=100

	Quebec	Canada
1943—January	109.0	108.4
February	114.6	110.1
March	137.8	122.1
April	149.8	140.2
May	187.1	160.0
June	170.1	151.2
July	188.4	164.6
August	174.7	157.4
September	147.8	148.1
October	173.6	164.1
November	160.1	155.3
December	183.0	183.1
1942—December	168.8	165.4
1941—December	160.5	147.4
1940—December	132.2	128.3
1939—December	121.5	123.5

Heavy Sale of Foodstuffs

A good cross-section of retail trade in Quebec is to be seen in the distribution of foodstuffs.

Wholesale grocery trade in Quebec, as reported by 20 firms, had a value of $3.2 millions in November, 1943, or 3.7% above that for the same month a year ago. On the other hand, the accumulative returns for the first 11 months of 1943 show a decline of 0.2% from the same period in 1942.

Retail sales of foodstuffs by chain stores in the province last November were valued at over $2.5 millions, on the basis of 174 stores reporting. In November, 1942, 181 stores reported sales at $2.6 millions. The decline in dollar value, of course, was influenced by the number of stores reporting and does not necessarily indicate any falling off in the demand for foodstuffs.

The independent grocery or foodstuff stores, on the other hand, report a gain of 5.2% in sales last November, compared with the same month of 1942. Of the 187 stores reporting, 124 reported an increase.

The extent and the importance of the merchandise trade in Quebec, may be gathered from the Dominion Bureau of Statistics report on retail trade in 1941.

That year 37,940 retail stores in the province reported sales of $776.8 millions, an increase of 19.3% over the $651 millions recorded for 1930, the only other year for which complete retail trade statistics are available.

Included in the total figures for 1941 were 16,565 stores classified broadly as belonging to the fruit group. These stores had sales of $228.7 millions in 1941, an increase of 23% over the corresponding figures for 1930.

Variety Stores Active

Department stores, variety stores and other stores selling a general line of merchandise to the number of 1,678 had annual sales in 1941 of $105 millions, an increase of about 13% over the business done by 1,532 stores of this type in 1930.

There were 2,738 retail establishments engaged in some phase of the automotive trade. These firms had sales of $104 millions in 1941, up 45% over the business transacted by 2,249 establishments in 1930.

3,888 Clothing Stores

The apparel group of stores included 3,888 establishments with sales of $80 millions, up 31% in the 10-year period. Sales for stores specializing in the men's wear increased by 7%. Family clothing store sales gained 66%, while sales for stores specializing in women's wear were up 37%.

There were 994 establishments assigned to the building materials group with $29 millions of sales in 1941, a reduction of 5% from the volume of business recorded for this group in the 1930 census.

Firms dealing chiefly in furniture and household appliances, musical instruments or other household requirements, numbered 894 in 1941 with sales of $33 millions, up 13% over the business transacted by 775 such stores in 1930.

A pronounced increase in sales was recorded in the restaurant group. There were 1,662 restaurants of various types in Quebec in 1941 with sales of $46 millions, up 51% from the business transacted by 925 restaurants in 1930.

One interesting and significant trend of merchandising in Quebec which has been noticed of late, is that the independent stores have been doing better than holding their own with chain organizations.

In 1941 there were 1,529 units of chain store companies operating in the province. They had sales of $132 millions or 17% of the total business of all stores, including both chain and independent.

In 1930 there were 1,698 chain store units with $120 millions of sales, or 18.5% of the total retail business for that year.

In particular the position occupied by retail chains in the food retailing field declined considerably between 1930 and 1941. During the latter year there were 213 units of chain grocery or combination stores when these had sales of $28 millions or 17.9% of the total.

Montreal Leads in Sales

In the breakdown of retail merchandise trade in Quebec, the Bureau reports, as was to be expected, that a predominant share of the business is done in Montreal. In 1941 sales in that centre totalled over $379 millions, an increase of $10 millions from 1930. Quebec ranks second on the list, followed by Verdun and Sherbrooke.

Significant is the increase recorded in retail merchandise sales by certain cities, in particular Verdun, Sorel, St. Hyacinthe, St. Jean and Shawinigan Falls. More detailed particulars are shown in the following table.

RETAIL MERCHANDISE SALES—1941

	1941	1930
Montreal	$379,573,200	$369,471,200
Quebec	60,247,800	48,172,200
Sherbrooke	15,349,700	10,959,900
Verdun	18,120,100	12,774,300
Three Rivers	13,292,100	10,079,700
Hull	8,349,600	7,776,900
Lachine	5,511,800	5,184,900
Westmount	6,288,900	6,330,100
Sorel	5,115,300	2,565,700
St. Hyacinthe	6,498,300	4,103,700
St. Jean	6,193,400	3,402,100
Shawinigan Falls	5,983,000	3,538,400

Allowing for the abnormality of present conditions, it is conservative to say that Quebec Province's aggregate volume of trade is of such size that an increase or decrease during the course of a year has a direct bearing on numerous industries located right across Canada.

Retail Trade $776 Millions

(Comparison of stores and sales for 1930 and 1941)

	Total Sales 1930	Total Sales 1941	No. of Stores 1930	No. of Stores 1941	% of Sales 1930	% of Sales 1941
TOTAL, ALL STORES	$651,138,500	$776,824,900	34,286	37,940	100.0	100.0
Independent stores	530,916,800	644,607,000	32,588	36,511	81.5	83.0
Chain stores	120,221,700	132,217,900	1,698	1,429	18.5	17.0
Grocery stores (without fresh meat)	70,813,800	83,723,900	6,146	6,841	100.0	100.0
Independent stores	57,443,600	73,475,500	5,815	6,730	81.1	87.8
Chain stores	13,370,200	10,248,400	331	111	18.9	12.2
Combination stores (groceries and meats)	48,901,700	75,041,800	1,571	1,904	100.0	100.0
Independent stores	37,600,900	56,930,100	1,407	1,802	76.9	75.9
Chain stores	11,300,800	18,111,700	164	102	23.1	24.1
Grocery and combination stores	119,715,500	158,765,700	7,717	8,745	100.0	100.0
Independent stores	95,044,500	130,405,600	7,222	8,532	79.4	82.1
Chain stores	24,671,000	28,360,100	495	213	20.6	17.9
Country general stores	42,510,700	44,905,200	2,747	2,331	100.0	100.0
Independent stores	40,749,700	42,596,400	2,705	2,294	95.9	94.9
Chain stores	1,761,000	2,308,800	42	37	4.1	5.1
Variety stores	12,014,500	22,238,300	178	350	100.0	100.0
Independent stores	1,383,100	4,621,400	77	222	11.5	20.8
Chain stores	10,631,400	17,616,900	101	128	88.5	79.2
Filling stations	10,158,700	29,004,100	780	1,688	100.0	100.0
Independent stores	6,224,000	28,345,400	636	1,669	61.3	97.7
Chain stores	3,934,700	658,700	144	19	38.7	2.3
Men's and boys' clothing and furnishing stores	17,998,100	19,355,100	1,008	874	100.0	100.0
Independent stores	15,952,600	18,566,300	978	856	88.6	95.9
Chain stores	2,045,500	788,800	30	18	11.4	4.1
Shoe stores	10,560,400	12,207,100	468	498	100.0	100.0
Independent stores	7,149,300	7,202,500	401	368	67.7	59.0
Chain stores	3,411,100	5,004,600	67	130	32.3	41.0
Restaurants	17,094,700	25,375,700	875	1,478	100.0	100.0
Independent stores	12,018,400	21,221,400	822	1,415	70.3	83.6
Chain stores	5,076,300	4,154,300	53	63	29.7	16.4
Drugstores	14,851,500	17,474,600	658	717	100.0	100.0
Independent stores	12,394,800	14,572,600	604	662	83.5	83.4
Chain stores	2,456,700	2,902,000	54	55	16.5	16.6

Plan To Speed Beet Growing

Special implements will be made available to sugar-beet growers in Quebec next spring.

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Indications of this may be noted by:—
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The great *increase* in mileage over '39, which is more than 1½ times around the world every week day, totalling approximately 39,000 miles, bringing the total average daily mileage to 131,000.
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The added equipment of trams and buses, which if placed end to end would extend over one mile. Although insufficient, this addition was all that was available under war-time allotments.
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The problem of operating through narrow street space with limited equipment can be further reduced by a greater adoption of "staggered hours". The co-operation of industry and business in this regard is urgently needed to meet the present transportation emergency.
MONTREAL TRAMWAYS COMPANY

Tourist Appeal Great Asset to Quebec

Launch Drive to Restore Big Income Source in Postwar

Important to the economic life in Quebec is the tourist industry which, in ordinary times, is a major source of income for many thousands of Quebeckers.

War has curtailed the number of visitors from the United States, but this has been to some extent offset by the fact that more and more Canadians are finding Quebec the ideal playground for winter and summer vacations alike.

Worth $50 Millions Yearly

In prewar years, tourist revenues of the province amounted to over $50 millions annually. This was all cash and its influence on the economic life was important, particularly in those sections outside the industrial area.

War conditions of course do not make for travel and the tourist traffic of Quebec has fallen off sharply as it has in other provinces.

Though the flow of tourism is greatly restricted, the provincial government and other agencies have not let up in their efforts to maintain tourist traffic. Today these agencies are preparing for peace when there will again be a large movement of visitors from the United States and elsewhere to the Ancient Province.

Attract Other Canadians

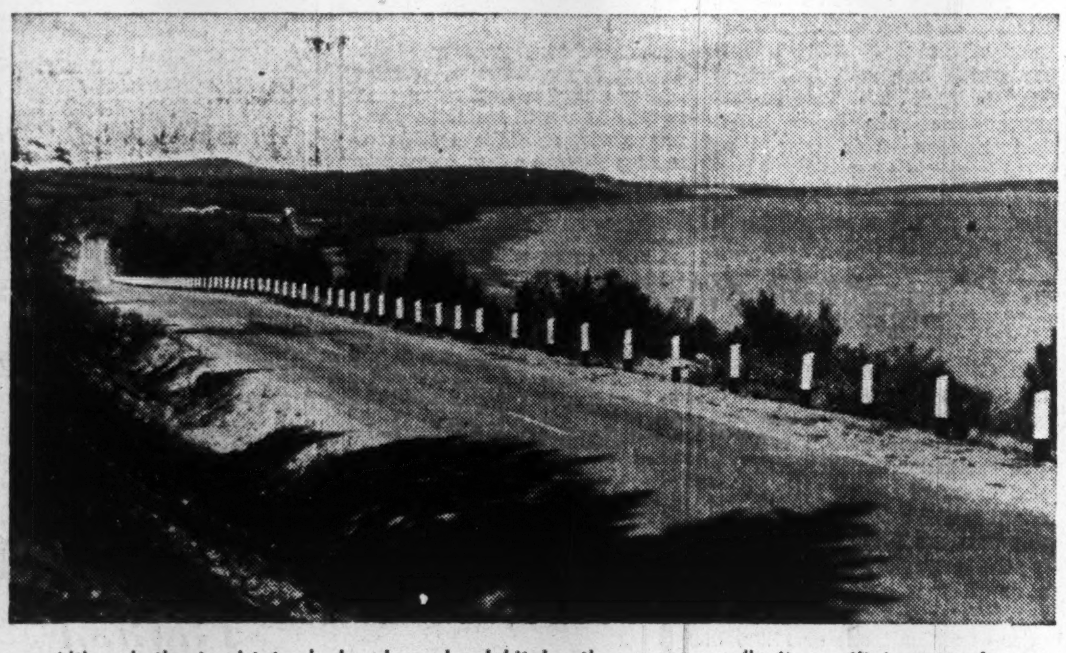
Meanwhile efforts are directed to increasing the tourist trade between other provinces and Quebec. In the last four years tens of thousands of Canadians who, in more normal times, might never have visited the province, have come to Quebec and have seen for themselves and sampled the riches of Quebec's tourist attractions. They have not been disappointed.

Quebec has much to offer the visitor. During the centuries the cities have retained their picturesque aspect, the people have held true to their Norman traditions, manners and customs have been kept, so there is an appealing old world atmosphere which has long since vanished from most other places.

Land of Romance

Quebec is a French province, but is not to be confused with modern France. Her people have built up a distinctive culture, based on old world traditions, rich in historic background. The shades of Cartier, Champlain, Frontenac, Talon, de Laval, Montcalm, still haunt town and countryside. Many a house known to these personalities is still in everyday use. Romance has not departed.

Good highways lead through quaint villages. Wayside shrines, monuments, old houses and churches excite delight and wonder. The courtesy of the people gives a new zest to travel.



Although the tourist trade has been hard hit by the war, normally it constitutes a major industry in Quebec. Good roads and scenery as portrayed in above picture play a leading role in supporting this industry.

In her invigorating climate Quebec has been doubly blessed. The summer season has long sunny days and cool refreshing nights. Winter brings many crystal clear days, and cloudless blue skies give brilliance to the crisp, powdery snow.

Choice of Scenery

Traversing the province takes one over mountain and dale, through rolling valley, grass-covered lowlands, past little lakes and cascading rivers. Nowhere will one find any greater or more varied beauty of landscape than in the Laurentian highlands, the majestic St. Lawrence River valley, the Appalachian country terminating in Gaspé, the grandeur of the Saguenay, the Montregian hills, the beautiful Gatineau, the St. Maurice Valley and the new Eldorado of Abitibi and Temiscamingue.

Lakes and rivers abound with game fish. Deer and moose are plentiful. Ducks and other water fowl are found in quantity on lake and river banks. The beginner may safely count on getting his share, for these vast hunting grounds and fishing waters are practically unspoiled. Winter brings its sport also, for Quebec offers unlimited opportunity for the ski enthusiast and comfortable hotels and chalets provide special accommodation.

Attractions for Hunter

The province's area of 594,000 sq. miles is still mostly undeveloped. This vast territory of forest and mountains, lakes and streams, extending from Ontario to Labrador, is a great natural reserve for big game.

Normally a source of $50 millions of annual revenue to Quebec, the tourist industry has been hard hit by the war, but the Ancient Province looks ahead to the postwar when the stream of visitors from the United States will again be in full flow. Meanwhile, Canadians who have to holiday at home are getting an opportunity of becoming better acquainted with their neighbors.

Quebec offers good deer hunting. White-tails are plentiful around the fringe of civilization. Black bears always provide a thrill for the hunter and in the fall are to be found in the most unsuspected places in a wide hunting area. Fine specimens of woodland caribou can also be had in certain parts of the Gaspé Peninsula.

Of game birds, partridges are the most eagerly sought and are found in all Quebec woods, especially in the high timber. In the great stretches of marshland along the St. Lawrence River and on the lakes which form so large a part of Quebec scenery, ducks and wild geese provide many a brace for the 12-gauge gun; a fact of special importance in these days when sporting ammunition is in short supply.

Wealth of Interests

For those who are not sport inclined, there is a wealth of other interests. Montreal, second largest seaport in North America, second French city of the world, offers contrast of old and new.

Still preserved are the landmarks of its dramatic history, dating back to its foundation by Maisonneuve in 1642.

Old Montreal, in the heart of the modern city, still retains its historic buildings. Here will be found St. Paul Street, oldest in the city; Place d'Armes, where Maisonneuve defeated the Iroquois in 1664; the Seminary of St. Sulpice, dating from 1680; Chateau de Ramsay, built in 1705; the McTavish House of 1780 and many others.

Outside this old city lies St. Joseph's Oratory, built on the mountainside by the late Brother André, "miracle man of Montreal"; Parc des Messieurs built in 1694; the Art Gallery, the Botanical Gardens, McGill University, Université de Montreal.

Many old and beautiful churches adorn the city. Here one finds Notre Dame de Bonsecours, built in 1675.

Verchères, Lachine, St. Hubert, Dorval Airport and the many summer resorts on the Ottawa and St. Lawrence Rivers and the Lake of Two Mountains are near Montreal.

The Laurentian mountains form an ideal playground, for rolling mountains and green valleys combined with fine forests. Hard surface paved roads lead from Montreal to the many vacation resorts.

The New Eldorado

Then there is the great gold field area of Temiscamingue and Abitibi in northwestern Quebec. Strikingly picturesque, rich in big and small game, it is dotted with interesting lakes where fishing offers new thrills. The highway skirts such well-known game spots as Bark Lake and Hunters Lake, the haunt of moose and deer.

The river journey from Montreal to Quebec is an experience not soon forgotten. To go by road is equally interesting, the road leading through villages where outdoor bake ovens, hand looms and spinning wheels are still in everyday use. Paved highways give a choice of route along the north or south shores of the river.

Halfway on the trip is Trois Rivières, founded in 1634 and now the centre of the world's newsprint paper industry. Here also was founded the iron industry of North America. Nearby are the shrine of Cap de Madeleine, the city of Shawinigan Falls and the thriving town of La Tuque.

Quebec the Peerless

At Quebec the ancient capital, the cradle of Canadian civilization, the visitor will find old buildings, ramparts and bastions of the stirring days of the French regime. The queer crooked streets intrigue tourists. The high, one-horse caleche, smart equipage of centuries ago, may still be seen upon the city streets.

A few miles away is the Shrine of Ste. Anne de Beaupré, opposite the Island of Orleans, where old farm houses, windmills and ox teams lend a picturesque touch to the rustic scenery.

Continuing down the river from Quebec to the Saguenay, the visitor passes magnificent scenery—high rolling hills, little white-washed farm homes perched on their side.

Saguenay Stands Alone

The trip up the Saguenay river is an experience which will long be remembered by the visitor. Quaint villages dot the Charlevoix-Saguenay-Lake St. John region. This beautiful country, made world famous by Louis Hémon, lies a scant 100 miles north of Quebec City and is noted for its charm, sports facilities and its many highly industrialized towns.

Turning to the Gulf of St. Lawrence below Quebec City, the visitor finds one of the most interesting sections of the province. Site of the white man's discovery of Canada, where Jacques Cartier first landed in 1534, Gaspé has remained much the same throughout the centuries. On the north shore tiny hamlets cling to the shore line, each a world in itself, isolated from its neighbors by big cliffs. The south shore is softer, with Baie de Chaleur breaking up into a great many small bays and sandy beaches.

Where Time Stands Still

Here at the tip of the peninsula is the tiny village of Percé beneath the shadow of the Percé Rock. Here life has remained much the same as at the closing of the French regime. The hardy fishermen follow their calling as did their grandfathers and great grandfathers before them. A new motor highway skirts the beautiful peninsula, making it readily accessible.

Much could be said about the Eastern Townships, with their profusion of lakes and charming countrysides reminiscent of old England, or the Ottawa Valley and Gatineau hills, where the visitor who likes the great outdoors will not be disappointed.

Quebec has everything for the tourist and, as is commonly the case, the Quebecker was the last to realize what a tremendous asset he had in his mountains, lakes, old buildings and historic spots and their culture centuries old. Now there is a broad and full understanding of those assets. Steps have been taken to make them known far and wide.

Millions of dollars left by the tourist at hotels, stores, transportation companies and other services, mean a great deal to the welfare of a large proportion of the province's population. In wartime this value is doubly enhanced and Quebec is moving with determination to secure a larger share of the traffic with the return of peace.

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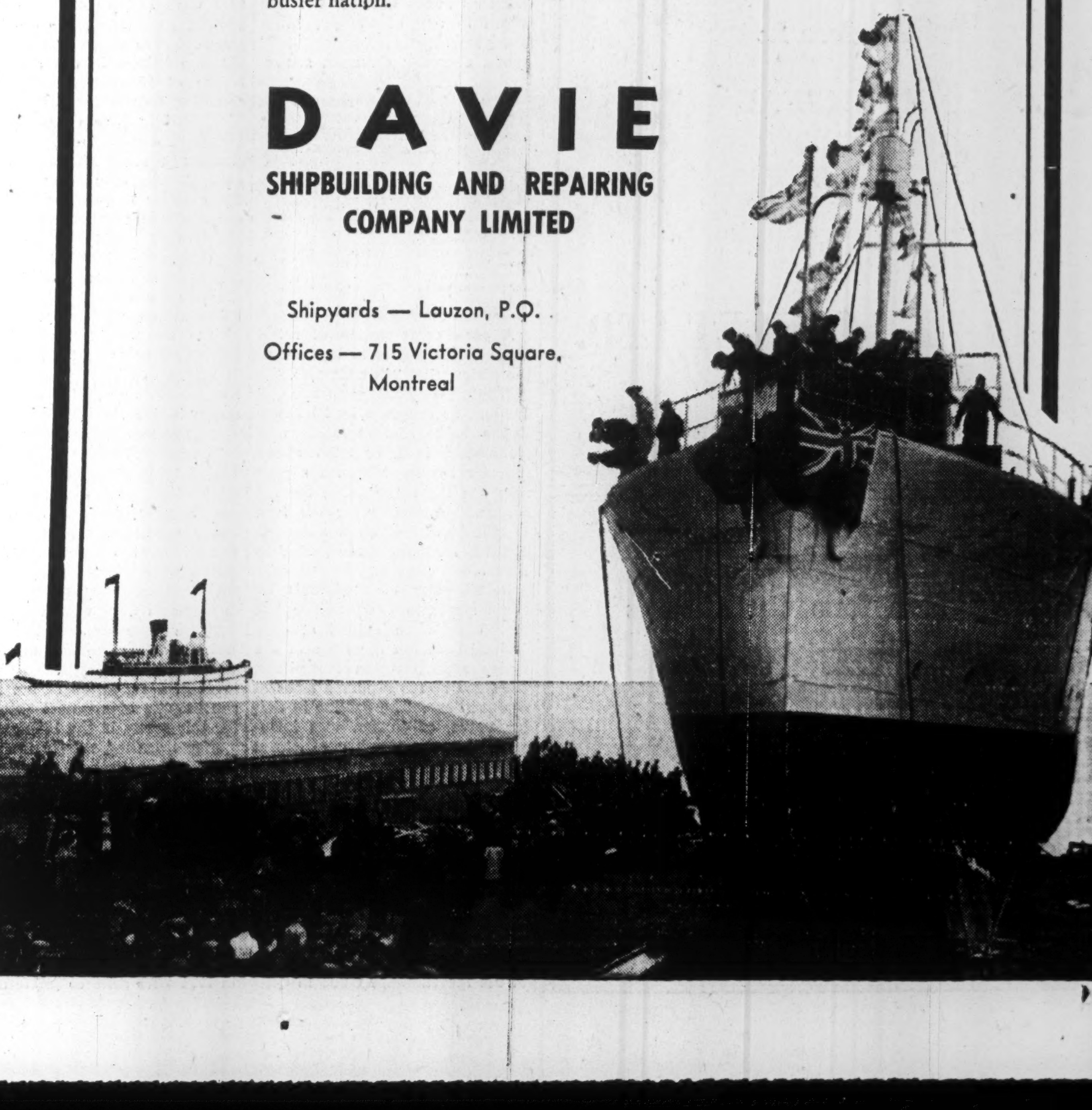

Social Security Unique

Quebec System Evolved Over 300 Years

Social security ranks high on the "must" list in postwar plans. Allied with social security is the matter of social services and, in this respect, Quebec presents a picture unique not only in Canada but in the Western Hemisphere.

Here in this Ancient Province is an elaborate set up of social services, the administration of which is split between provincial and municipal authorities, and between government and private organizations.

Before large-scale industrialization of Quebec, social service needs of the people were relatively simple. The family and parish governed the life of the community and the family was a self-sufficient unit.

New System Developed

Conditions of widespread distress from 1931 to 1935, however, made it impossible for the existing system to carry the burden.

There still exists a considerable difference between the administration of social services in Quebec and in the rest of the Dominion. Education, hospitals, institutions for the insane, blind, orphanages and reform and industrial schools are supported largely by religious orders and private interests.

For generations the religious orders have been responsible for social welfare in Quebec. They continue to hold that position and naturally so, in that for generations the vast majority of Quebeckers have looked to the church for both spiritual and material aid.

Private Charities Unique

At the same time, Quebec is unique in its private charities. The amount of money subscribed for charitable purposes by individuals in Quebec may be said to be greater than in any other province of the Dominion. In the Montreal area alone there are a number of hospitals supported by private donations. Various other agencies are financed in the same way.

Under the aegis of the Welfare Federation, French-Canadian and Jewish charitable organizations, the private citizens of Montreal alone subscribe well over $1 million annually. To this figure, of course, should be added the donations to hospitals and other institutions which, in some instances, have been privately supported for generations.

Outside of Quebec City and Montreal, the principal private charitable organization is the St. Vincent de Paul Society. Organized in 1826, it operates in all Catholic centres.

The social services of Quebec are, in a sense, centralized through the Provincial Bureau of Public Charities, which was established in 1921. Under the board it is lawful for local or county municipalities to establish and maintain hospitals, homes, foundling institutions, sanitoria, refuges, etc., for the poor domiciled within their limits.

Assistance may be given to either municipal or private institutions engaged in welfare work. The board also may recommend that the Government guarantee payment of annual interest on loans contracted by institutions for welfare purposes.

In the case of hospitalization of indigent patients, the Province pays a third of the cost, the municipality where the patient is domiciled another third, while the charitable institution assumes the balance of the cost.

This distribution of cost is in contrast to that system followed in other provinces where the burden is usually shared by provincial and municipal authorities.

Own Source of Revenue

The Board of Public Charities obtains its revenue from taxes, licenses and fees. There is a 5% hospital tax levied on all meals costing 35c. or more served in hotels and restaurants. The Quebec Liquor Commission makes an annual grant from its profits, while a special tax is imposed on all liquor sales. In addition, of the 10% tax collected by municipalities on places of amusement, one half is given to the municipal charities fund and half to the provincial public charities fund. The costs of collection are incumbent upon the municipality.

The fund further is supported by revenues from entry duties at race meetings, registration fees for apparatus employed in making bets on race courses, and a tax imposed on bets and wagers.

The revenues thus received by the Government run around $5 millions annually. Almost double this amount is distributed to charitable organizations.

While the Government contributes several million dollars a year to charitable organizations in municipalities, in addition, makes a substantial contribution, the sum paid by the two agencies, does not represent the total costs of social service.

Welfare Legislation

Added to the Public Charities Act there has been a broad list of legislation written to cover welfare needs. The Province has vigorously tackled the problem of checking tuberculosis.

Quebec instituted an old-age pension scheme in 1936. Maximum pension is $220 annually and 75% of the pension is paid by the Dominion Government. To date pensions paid out total well over $42 millions.

The Province also has set up machinery to take care of needy mothers. Allowance to mothers with two children under 16 years of age is $20 a month and a further $5 is granted for each additional child.

Supplementary to social services, the Quebec Government has set up the Workmen's Compensation Board. This functions in a manner similar to other provincial boards. It provides compensation to injured industrial victims.

More than 65% of all the boots and shoes made in Canada come from Quebec factories, and since the war the bulk of these have been for military requirements.

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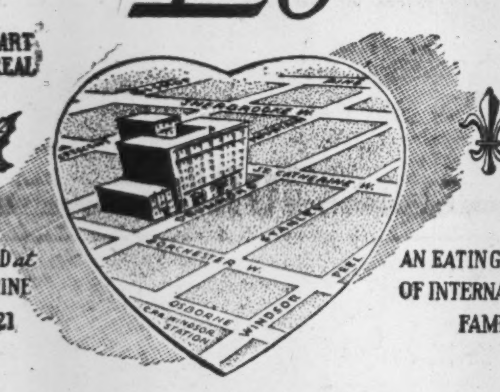

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Unionization in Quebec Runs Into Many Snags

Unionization of industrial and other workers in Quebec reached new heights over the past year, but not without various difficulties.

Because of conditions peculiar to the province, unionization had never progressed to the point it had in other sections of the Dominion. The war, however, created an opportunity for union organizers and they have been extremely active. As a result there has been considerable union competition, notably among the Canadian Congress of Labor, American Federation of Labor and the National Catholic Syndicates. Extravagant claims have been made; demands for wages and adjustment of working conditions. As a consequence, many disputes developed, much time was lost and essential services affected.

Pass New Legislation

Outstanding development was the strike of Montreal policemen organized by the Canadian Congress of Labor. The strike lasted only a few hours, when the Provincial Government took a hand and granted the strikers their demands. There followed an unfavorable public reaction. Later the Government passed legislation prohibiting certain classes of public servants from affiliating with outside labor organizations. The Government opined policemen had the right to organize, but could not affiliate with outside organizations. This applies only to policemen. Other public employees, such as firemen, public works employees, office employees and schoolteachers, are permitted to join unions, but are prohibited from going on strike.

Such labor difficulties might be regarded as evidence of considerable labor unrest. This is not the case. Other provinces have experienced the same, but in Quebec unionization of workers has, until within recent years, gained little headway.

Help for Workers

By and large the Quebec Government has legislated to improve working conditions. It has also been active in organizing the labor resources of the province.

At the beginning of 1940, it modified legislation prohibiting night work for all employees under 18 years of age. Factories producing munitions or carrying out contracts under the War Measures Act were exempted from the provision.

Organize for War

During the first year of the war the Provincial Employment Service, organized on a co-operative basis with the Employment Service of Canada, succeeded in finding jobs for thousands of workers in war industry.

In addition the Quebec Dept. of Labor opened temporary employment bureaux at Gaspé, Ste. Thérèse, St. Jérome and Longueuil to enlist workers not employed at that time.

The Department's technical services also co-operated closely in establishing new war plants. Inspection of electrical installations and pressure vessels has been given priority. Moreover, the usual scale of fees has been reduced in these particular instances by 50%.

Provide Collective Pacts

Increase in the cost of living and scarcity of workers, together with the importance of the work to be done, has brought about a certain amount of unrest. This has been countered by furtherance of the Collective Labor Agreement and the Minimum Wage Act. The Minimum Wage Board moved to protect unorganized workers by drafting and promulgating orders prepared after consultation with representatives of employers and employees.

The inspection staff of the Provincial Labor Departments and the Quebec Minimum Wage Board, moreover, have been authorized to act as Dominion inspectors in issuing identification cards to workers or plants, which involves a considerable amount of work.

All in all the position of the laborer in Quebec has improved in the last five years.

Serving Canada's Households

TRADE MARK "WABASSO" REGISTERED

Trusted and familiar wherever cottons are used, the white rabbit trade mark of Wabasso represents more than just a product.

It stands for a great organization of 2,400 skilled workers, for an industry that has marched steadily forward for over 30 years, for an adherence to quality workmanship before all other considerations.

Wabasso's white rabbit trade mark is the symbol of one of Canada's outstanding enterprises.

Manufacturers of

Sheets **Slips** **Sheetings** **Pillow Cottons** **Printed Cottons** **Broadcloths**

and a wide range of unbleached cloths for industrial purposes.

THE WABASSO COTTON CO. LTD.
THREE RIVERS, QUEBEC

Canada Seeks Weapon To Fight Forest Pest

Either a new and complex method of developing resistance or a powerful and specially devised new insecticide is needed at once to cope with the spreading forest menace of the spruce budworm.

Attack of this pest is on the increase. It represents a greater threat to eastern Canada's white spruce and balsam stands than do either man or fire. The jackpine budworm, moreover, may attack the black spruce. Four attempts at control—biologically by introducing parasites and encouraging spread of disease among the pests themselves, by dusting or spraying, and by forest management—have failed.

These were some of the convictions registered at a recent Toronto conference of foresters and forest pest experts from industry and the government services, called by the Ontario Dept. of Lands & Forests.

Ideas in Ontario

Ontario Forest Industries Association Manager W. A. Delahey, Toronto, urged action in 1944 to meet the plague and a number of longer-term control measures.

To start the counter-attack he wants more entomologists assigned to the task, even if it requires their demobilization from the armed forces; intensive surveys of infested areas; a program for chemical dusting from aircraft after U. S. and U.S.S.R. consultation, etc.

To keep the fight going he wants still more entomologists trained and sufficient inducement offered to encourage men to take up the work. He urged also large-scale forest management road construction by provincial government. Mr. Delahey recommends committees of government officials and forest industry men to schedule road building projects in the more accessible areas as a postwar undertaking.

Test Areas Suggested

At Montreal, some weeks earlier, the advisory committee of the Canadian Pulp & Paper Association proposed that a special committee be formed to plan experiments against the budworm. They suggested tests be carried out on some privately owned forest areas to be reserved for the purpose where operations would be free of interference.

First severe defoliation in the present wave appeared north of Sault Ste. Marie about 1935 and may have been a continuance of infestation which began north of Lake Nipissing in 1918.

CAPITAL TRUST CORPORATION LIMITED

Servant of the Province

1898 · 1944

The Shawinigan Water and Power Company proudly looks back upon a record of continuous and ever-widening service to the Province of Quebec.

In less than the span of an ordinary lifetime, "Shawinigan" has built up one of the largest networks of power on the American continent. Today, "Shawinigan" serves directly more than one million people in four hundred and seventy-three municipalities of the Province.

Always the servant of the public, "Shawinigan" takes this opportunity to repeat and renew its pledge of constructive service to the Province and of its unyielding efforts to create for the people additional opportunities of finding profitable employment within the boundaries of Quebec.

The Shawinigan Water & Power Company
Electrical Power *Industrial Chemicals*
ENGINEERING • TRANSPORTATION • CONSTRUCTION

Open 145 Parishes

Colonization Plan Puts 100,000 on Hand

Backed by an active colonization program, 145 new agricultural parishes have been founded in Quebec since 1931. Of this number 100 were opened up between 1931 and 1936 inclusively, 46 alone being established in 1935 and 1936, and the balance since 1937. Another 45 parishes have been founded, and firmly established, since 1937.

Establishment of these new parishes, each consisting of an average of 800 souls, means the settling in regions which were formerly deserted of well over 100,000 persons. They are not only self-supporting but are helping contribute to the general welfare, no matter how small may be their share.

Opening up of these new regions also represents a social advancement, since these colonists, firmly settled and more or less independent, represent an asset whose social value may be termed incalculable. It has cost the Province less, per head, than it would have cost to maintain an unemployed person in the city for a year.

Open Up Large Area

In the short space of ten years, the area under cultivation in Province of Quebec has increased by 347,828 acres. From 6,079,793 acres, which was the figure in 1931, the total had risen to 6,427,621 acres when the 1941 census was taken. Colonization may be held largely responsible for this marked margin, and in the light of present day events, its importance cannot be too highly estimated.

During the past three or four years the number of new settlements created has been relatively small, the war practically halting the movement of colonist families to new regions. Quebec's Government, however, has not forgotten settlers and their progress, and has endeavored during these years to see that the new colonists obtained livestock and agricultural machinery necessary to obtain the greatest possible return from their lands.

Help for Settlers

There has even been an increase in Quebec's agricultural domain, for example, as a result of the policy of uprooting tree stumps by mechanical means. This has resulted in the clearing of 55,000 acres of tree stumps on colonization lots within the past three years.

An increase in livestock necessarily calls for the establishment of butter and cheese factories, and the Quebec Government has contributed substantial financial assistance in this respect. From 1940 to 1943 the Department of Colonization has subsidized the installation of ten cheese-manufacturing plants and eight co-operative butter factories, which produced a total of 301,198 pounds of cheese and 203,148 pounds of butter during 1942. On Sept., 30 last these same establishments, whose output has steadily increased since they first started operating, had already produced 314,284 pounds of cheese and 223,829 pounds of butter.

Big Plans for Future

Looking to the postwar period of rehabilitation, Quebec already has begun to lay plans for an extensive colonization program involving an expenditure of $10 millions over a period of years.

Twenty-five thousand families, representing 100,000 people, have been established on the land by the Quebec Government since 1931. Results have encouraged Government to set up $10 million fund for intensive postwar colonization scheme to open up new farming areas and keep population on the land.

The plan is a complete departure from those followed in past years, when settlers were sent to uncleared lands.

Under the new scheme roads will be constructed, churches and schools built, together with houses for the settlers, and from five to ten acres of land will be cleared before the settlers are given their lots.

This will be undertaken to give employment to returning soldiers and to war industry workers. It is hoped to provide work for approximately 25,000 men who, later, may be induced to settle on the land they have opened to colonization.

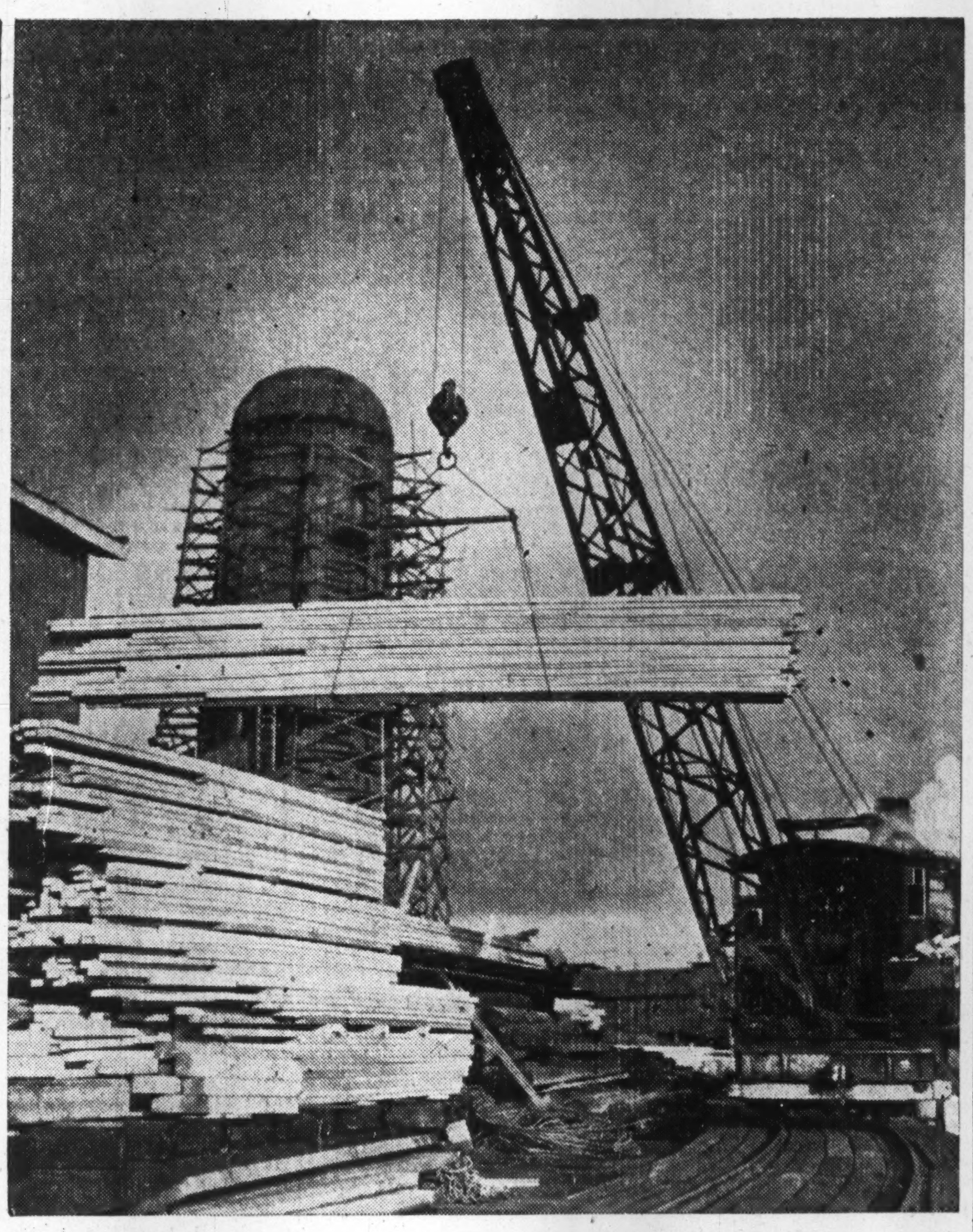
This forward-looking scheme is one of many which the Quebec Government has fostered. Since 1910, alone and at other times with the help of the Federal Government, the province has spent millions of dollars in opening agricultural areas, or in helping settlers establish themselves in settled areas.

Object of these efforts has been twofold: to extend the agricultural domain and retain on the land at least a portion of the excess population of the older parishes, which otherwise would have drifted to the cities.

Keep People on Land

If this exodus from the country to the industrial centres has not been altogether stemmed, still a great number of farmers' sons have remained on the land.

Large sums of money have been spent directly and indirectly by Quebec in its colonization program. Some of the plans have not worked out as well as their originators had hoped; others have resulted in the permanent settlement of tens of thousands of acres. Overall, the province has been well repaid and it is because of past experiences that the present project for postwar is considered as a keystone in Quebec's plans for rehabilitation.



One of the first industries of Quebec and still of major importance is lumbering. There are nearly 2,000 sawmills in the province, turning out $30 millions of lumber annually.

Say Social Credit Party Seeking New-money Expert

From Our Own Correspondent

EDMONTON. — Albertans are wondering if the Social Credit Government has a new "technical adviser" on monetary reform, imported from the British Isles. The question arose in Edmonton last week with disclosure of a letter addressed to the speaker of the Alberta legislature, written by Lord Sempill from Great Britain.

Lord Sempill's letter said it could be shown:

1. Production of real wealth is limited only by manpower, materials and machinery available.

2. The true function of money is to serve as a convenient medium of exchange and measure of value.

3. Value of money is determined by the goods and services for which it can be exchanged.

4. Book entry money of credit, being valueless in itself, is virtually costless to create.

5 Modern technology is such that, if productive capacity is operated fully, there will be a steady increase each year in goods and services produced.

6. To maintain full production it is necessary to increase amount of money in circulation each year by the value of this increase and so maintain the price level constant.

7. The most satisfactory way of putting this new money, which can be created without incurring a debt, into circulation must be determined.

The letter, read by the speaker, brought a howl of protest from the opposition members of the House, and a real debate threatened.

Drummond Street Realty Corp.'s 10,000 issued common shares have been called for trading on the listed section of the Montreal Curb Market. This company was incorporated in 1927 and owns and operates the La Salle hotel, located in Montreal.

Report Slight Falling Off In Newsprint Operations

From Our Own Correspondent

MONTREAL.—With operations at 68.2% of capacity, Canadians mills produced 242,658 tons of newsprint in January and shipped 209,599 tons, leaving 33,059 tons to be carried to stocks on hand, according to returns compiled by the Newsprint Service Bureau and the Newsprint Association of Canada.

Returns for the past month were ahead of these for Jan., 1943, when 233,544 tons were manufactured and 215,015 tons shipped to customers.

Overseas Trade Gains

Breakdown of last month's shipments shows a drop in Canadian shipments, while those to the United States at 171,709 tons were 18,000 tons less than in Jan., 1943. Shipments overseas, on the other hand, amounted to 22,838 last January compared with 9,904 tons in the like month last year.

Newfoundland mills produced 20,863 tons last month, compared with 13,625 tons in Jan., 1943. Shipments aggregated 13,437 tons, up from 12,320 tons in January last year.

Of last month's shipments from the Island, 5,882 tons went to the United States and 7,482 tons to the United Kingdom and other markets. This volume was about half that reported in January last year for the United States and 5 times as great for the U. K. and other overseas markets.

U. S. Output Lower

Production of newsprint paper in the States last month held at 60,354 tons. While this is slightly under the rate of output in recent months, it is well below the 69,792 tons produced in Jan., 1943.

Shipments from American mills last January at 61,102 tons were slightly in excess of production, but 8,500 tons under deliveries in January last year.

See Big Rural Market For Plumbing After War

Survey Shows 93% of 702,702 Farm Dwellings Without Bathrooms; Only 20% With Electric Lighting

Plumbing and heating facilities are notably lacking in Canadian farm homes. Figures in the 1941 census indicate that out of the more than 700,000 farm homes in the Dominion, only 7.3% had bath facilities, 8% flush toilets, 12% warm air furnaces.

With farm incomes rising sharply over the past few years, possibilities of a considerable market in this field are seen for the postwar period, when materials become available and when more comfortable farm, as well as urban, homes will be one of the objectives.

The Possibilities

These possibilities are discussed by Arthur D. Ellwood, editor, in the current issue of Sanitary Engineer (MacLean Publishing Co., Toronto).

Comparison with the average city home makes the need of the farm home stand out sharply. Out of 702,702 farm dwellings, around 654,000, or 93%, had no bathrooms; out of 1.4 million urban dwellings, only 340,000, or 24%, lacked either a bath or a shower. Two limiting factors in this potential great demand are seen: lack of electrical power and ability of the farmer to pay for his plumbing fixtures.

Closely bound up with any plan to sell plumbing facilities to farmers is rural electrification. "A real market can be expected to exist for plumbing equipment only where farmers secure electric power," says Mr. Ellwood.

Possession of an electrically equipped home gives the farmer a readily available means of pumping essential water. Task of modernizing his home is simplified, and should be cheapened as well. He will not have to install a gasoline pump or build a windmill, nor face the grim alternative of pumping his water supplies by hand.

20% Electrified

About 20% of Canadian farm homes, in round figures about 141,000, had electric lighting in 1941. It is estimated that about 130,000 of these still lack plumbing. Here lies the most feasible market for plumbing equipment, "about 130,000 bathtubs, the same number of flush toilets, pressure water systems, wash basins, etc." With $500 the probable average cost of installing such equipment in the individual home, a potential market of some $65 millions exists in this farm group alone.

Farm homes without electrical equipment would of course avail themselves of the advantages of plumbing to a certain extent if such a campaign were undertaken, but the latter could not be expected to be as sure a market as the electrified units.

Electrification of farm homes is one of the postwar construction objectives much in prominence. In Ontario rural power lines may possibly be extended in 1944. Dr. T. H. Hogg, chairman, Hydro-Electric Power Commission of Ontario, recently estimated the postwar market for electrical appliances and equipment would run close to $4 millions annually. Ontario Hydro hopes to extend its power lines to possibly another 5,000 farms this year.

Manitoba has studied rural electrification closely, while Quebec has also conducted surveys. Both provinces undoubtedly expect to act along these lines when end of the war releases essential materials.

More in East

Electric light and plumbing facilities are much more widespread on eastern farms than in the West, save for P.E.I. Percentage of farm homes with electric and bath facilities is as follows:

Province	Elec. Light	Bath	W.C.
P. E. I.	5.5	7.3	8.0
N. S.	26.2	9.6	8.7
N. B.	18.6	7.0	8.0
Que.	23.6	6.8	8.0
Ont.	37.3	10.7	16.5
Man.	7.3	3.2	1.2
Sask.	4.8	3.7	1.0
Alta.	5.5	4.3	2.5
B. C.	36.0	23.5	20.5

Market in East

These figures demonstrate that the need is probably greater in the West, but less favorable economic conditions on the Prairies, plus lack of rural electrification, probably mean the greatest market for plumbing fixtures will lie in the East for some years to come.

Ability to pay is another factor in modernizing the Canadian farm home. One authority believes that most farmers would install running water in their barns, plumbing facilities in their homes, "if they had available to them a plan to finance the cost over a period of years."

Farmers' income has risen considerably in recent years, DBS figures show, and chances are that farmers will be in the market for plumbing equipment after the war. Sanitary Engineer stresses, however, that "cultivating this farm market requires an intensive selling effort," and that in addition the farmers "should have available to them financing facilities such as the Home Improvement Plan or the National Housing Act extends to urban dwellers."

THE WHITE FLAG WILL COME AGAIN

On some European front—perhaps in the not-too-distant future—a white flag will be hoisted and under its protection high Nazi officers will make their way to the lines of the United Nations and lay down their arms.

But this hour of victory—the hour of triumph, can be ours only if we win the "battle of production." As the United Nations swing to the offense in all parts of the world, the need for ships, planes, tanks, guns and shells is greater than ever before.

The kilowatt hour is doing its part to hasten the hour of victory. It is helping to make ships, planes, tanks and guns, shells and other armaments. Electricity is the motive power behind the industrial workers which will speed production until it overwhelms the Axis and compels them to hoist the flag of surrender.

Then, when the boys come home, the little kilowatt hour will turn again to its ways of peace and to the production of the thousand-and-one items that will contribute to the joy of living in the happier days to come.

QUEBEC POWER COMPANY

Electrical Power — Transportation

A Moco FABRIC

REGISTERED

A TOWER OF STRENGTH in WAR and PEACE

Say this of Canada — and you are not saying enough: "A tower of strength in war and peace". Yes, but is Canada not also a source of great and increasing industrial energy?

"Canada will emerge from the war, one of the great industrial nations . . . There is a new industrial army of skilled men and women workers. A new tradition and a rich experience have been acquired" — so says the London 'Economist'.

The war forced the pace of Canada's growth as an industrial nation — but there was already a foundation to build on. In the case of the Quebec Textile industry the foundation was well and truly laid in the pioneering days of the industry, several decades ago.

So we are proud of our place on the team of Canadian industry. Our experience during these hectic years gives us unbounded confidence in our capacity to undertake even greater tasks in the future.

The Montreal Cottons Limited

Selling Agents:

DOMINION TEXTILE CO. LIMITED — MONTREAL

TORONTO HAMILTON WINNIPEG EDMONTON VANCOUVER

War Teaches Pipe Smokers Useful Lesson

Benefits From War Restrictions

Reports from all over Canada indicated that stocks of imported smoking tobaccos—the importation of which has long been cut off by wartime restrictions—are now completely exhausted. And no fresh supplies can be expected for the duration.

At first many Canadian pipe smokers who had cultivated a taste for this or that imported brand felt that they were suffering a hardship. This unfortunate illusion, however, quickly disappeared when they turned to Canadian made smoking mixtures and tried Piccadilly.

It is not too much to say that many of these smokers feel that, in this regard, the war has taught them a valuable lesson. For not only does Piccadilly cost them considerably less than they were accustomed to pay for imported brands, but many of them have found that they enjoy it even better. And this is not surprising in consideration of the fact that Piccadilly is called a "London" mixture because it faithfully follows the pattern set by famous English mixtures and is made from stocks of the world's choicest smoking tobaccos.

Are you missing some Imported mixture?
Then please try
Piccadilly
LONDON
SMOKING MIXTURE
MADE IN CANADA
on a par with the most expensive

Our Second Largest Market

Study by English Producer Needed in Selling to Quebec

Postwar plans for marketing in Canada must necessarily involve considerable and specialized study of Quebec. Not only does the province rank second as a producer of new wealth, but within its boundaries are nearly one out of every three Canadians, the great majority of whom are French speaking.

Conditions over the past four years have tended to minimize the need to study this market, simply because manufacturers have been faced with a sellers' rather than a buyers' market. The problem has been one of securing sufficient materials to meet the demand, rather than one of merchandising.

Prepare For Tomorrow

Obviously such a condition is only temporary. It may carry through into the early postwar period, but inevitably there comes a time when the manufacturer or distributor must compete for his share of the Quebec market.

Quebec is not an easy market for the English producer or distributor to break into. There was a time when a number of failures brought sharply into focus the difficulties which might be encountered in selling to Quebec. Most manufacturers, however, have learned to avoid mistakes made in the past; have a better understanding of the French-Canadian point of view. They have established themselves on a sound basis in a community where annual incomes vary less than in any other section of equal size in the Dominion.

Factors To Consider

Certain cardinal principles must be kept in mind in considering French-Canadian buying power. The French market cannot be developed properly without a sales appeal made in French and without catering to characteristics peculiar to the French Canadian. It should never be forgotten that the typical Quebecker speaks, reads and thinks French, attends services in French churches, goes to French schools and universities, speaks French in court and elsewhere.

The French Canadian is thrifty in the best sense of the word. If he sees what he needs and is convinced that the article in question measures up to his requirements, he will buy it. But he has to be convinced.

Things To Avoid

Though it is dangerous to make a broad statement as to any individual market, it is safe to say there are certain merchandising policies which do not find favor with French-thinking Quebeckers.

In the first place, the group appeal does not find ready response. French Canadians like to be different from one another. They are individualistic and want personal consideration.

Certain appeals, prominent in many national advertising campaigns directed to English-speaking Canadians, are rarely effective in Quebec. The high pressure "do it now" appeal often finds scant sympathy. Such an approach tends to irritate rather than sell.

Matter of Advertising

Does French advertising pay? The answer is that dozens of extra-provincial firms do a very profitable business in Quebec. There are many degrees of success, but one must not put the blame upon the tastes and habits of French Canadians for the lack of success of certain firms. Some would have them buy goods which their housewives make better than any factory can produce.

There is the case of the firm which could not understand why the French people would not buy its fruit jams. This producer did not know that French Canadians like a very sweet product and that they have become accustomed to preserves of a "pound of sugar to a pound of fruit" combination, which English-speaking people would find too rich.

With rationing in effect these days, the individual likes and dislikes for rationed goods is not a problem for the manufacturer. This is a condition, however, which at best is only temporary.

Sell in "French"

One great difficulty in French advertising has always been translation. There is considerable difference between presentation of an argument in French and in English. Just as French speakers go in for eloquence and what is called gesticulating, while the English seem more matter of fact and logical, the contrary happens in writing.

French Canadians are not more invincible to the appeal of advertising than other races, but that appeal must reach their hearts through their minds. They dislike extravagance and despise dullness of language. French advertising must be prepared with care if it is to achieve results.

Some English advertising copy which has appeared in French in Quebec does not even make sense. Further, correct translation into French will not suffice as a rule.

Need Study of Market

Statistics are the foundation of any sales campaign and in studying the Quebec market, they can lead astray or put the distributor on the road to building up an important market for his products.

Proper interpretation of the statistics available on Quebec is highly important. Distributors have been misled by the appearance of limited purchasing power of the individual Quebecker. They fail to give these figures more than a casual study and seldom consider the all-important matter of family life in Quebec.

A Family Market

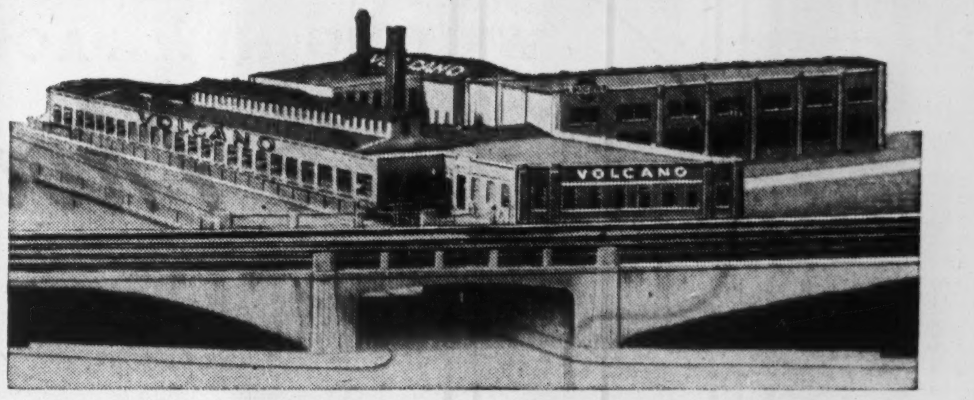
Basic to any merchandising program in Quebec is the necessity of considering statistics on a per family rather than on a per capita basis. On the latter basis, only the number of individuals is considered, be they old or young. Obviously with the high percentage of children in Quebec, statistics are thrown out of gear in making comparisons.

Taking per capita wealth. In Ontario it is $3,188—in Quebec $2,982. It might be reasonably deduced that French-Canadians are poorer prospects for a sales campaign than their neighbors in Ontario. A different picture emerges when these figures are taken on a family basis. The average number of persons per family in Ontario is 4.30 and in Quebec 5.35, indicating the average wealth per family in Quebec is higher than in Ontario.

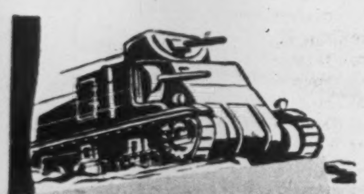
Keeping this in mind, an entirely new light is shed on the business of making up statistics in reference to the Quebec market. The large families of Quebec tend to keep family ties strongly knitted. This, in turn, finds reflection in various characteristics inherent in that buying market.

Skilled hands make intricate equipment. Women workers assembling altimeters for the Royal Canadian Air Force in a Quebec factory.

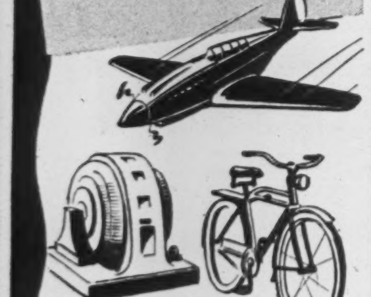
The Home of VOLCANO Products



THE large plant of VOLCANO Limited at St. Hyacinthe testifies to the strength and progress of this company, since its establishment in 1847, under the name of Chalifoux & Fils. This century-old industry introduced the VOLCANO mechanical coal Stoker, which has revolutionized modern heating methods in homes, factories and large buildings. Hundreds of VOLCANO stokers are today in use, both in Canada and abroad.
We also manufacture vertical and horizontal steam boilers, hot water furnaces and heat exchangers. For the duration, only part of our production may be devoted to civilian use. After victory, our experience and resources will again be fully at the service of our clients. Information, literature and estimates supplied on request without cost.
Ontario Representatives:
RODERICK ASHLEY LTD. 1272 Bay Street, Toronto
RODERICK ASHLEY LTD. 21 Main St. East, Hamilton
VOLCANO LIMITED
Sales and Service: 1106 Beaver Hall Hill MONTREAL, QUE. Tel. PL. 8531
Factory: 2020 St. Anne St. ST. HYACINTHE, QUE. Tel. 107
Agencies:
TORONTO, ONT. OTTAWA, ONT. HAMILTON, ONT. QUEBEC, QUE. SHERBROOKE, QUE. MONCTON, N.B. HALIFAX, N.S. VANCOUVER, B.C. EDMONTON, ALTA. ST. BONIFACE, MAN.



PROTECTION is the BIG idea!



Take advantage of the extra experience gained by Thorp-Hambrock chemists in developing finishes to meet the punishing conditions of war. That experience will save you time, trouble and money.
THORP-HAMBROCK
COMPANY LIMITED
Industrial
LACQUERS VARNISHES
PAINTS ENAMELS
and
CELLON
Aeroplane Finishes
MONTREAL
TORONTO WINDSOR

War Restricts Building To $78 Millions in 1943

Wartime building in Canada has passed its peak and the returns over the past year reveal a general overall shrinkage of contract values. This experience was common to all provinces. In Quebec, for instance, the value of building permits issued last year was over 50% less than in 1941.

The trend was not unexpected. War plant construction has been tapering off sharply for some time. In so far as Quebec is concerned, the amount of money spent on war plants reached a huge total. Outstanding development, of course, was the Aluminum plant and power development at Arvida. Other aluminum plants were built at Shawinigan Falls, LaTuque and Beauharnois. New shell-filling units, shipyards, ship outfitting yards, gun plants, etc., are only a few of the major wartime projects undertaken in Quebec and financed by the Dominion Government.

The second factor having to do with the limitation of new building, centres around the restriction of supplies. With essential metals diverted to wartime use, shortage of lumber and other building materials, the construction of new office buildings was practically prohibited, while residential building was limited to those areas in which a housing shortage existed.

Volume Satisfactory

Despite the retarding factors, the volume of new building undertaken in Quebec compares favorably with that in other provinces of the Dominion. For the first 11 months of last year, for example, construction contracts awarded in Quebec had a value of about $55 millions, compared with $92.6 millions in all of 1942. Industrial and business construction underwent a sharp contraction, while residential and engineering work was reasonably well maintained:

BUILDING CONTRACTS AWARDED IN QUEBEC

	1943*	1942
Residential	$23,365,000	$24,403,000
Business	13,620,000	21,426,000
Industrial	10,672,000	35,580,000
Engineering	7,329,000	11,189,000
Total	$54,986,000	$92,598,000

*Jan.-Nov. only.

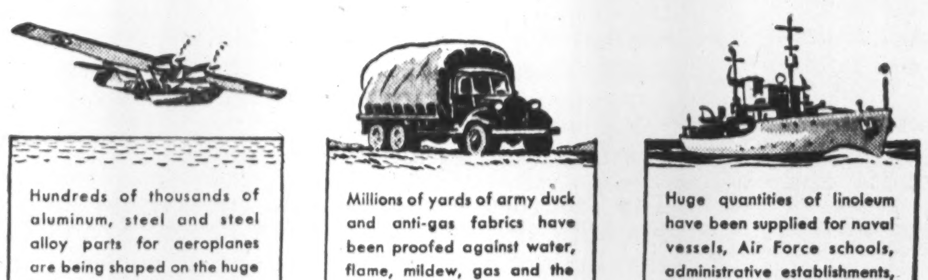
Fewer Permits Issued

Building permits awarded in Quebec in 1943 had a value of $20.2 millions, as against $28.3 millions in 1942 and $32.9 millions in 1941. This trend follows closely that of the Dominion, which for last year recorded issued permits to the value of $79.3 millions, as against $104.2 in the previous year and $135.3 millions in 1941.

Manoir PINOTEAU
AT THE FOOT OF MONT TREMBLANT
in Canada's leading ski center . . . Near overhead chair ski-tow . . . long downhill runs . . . gentle practice slopes . . . modern accommodation . . . famous for French cuisine . . . 3½ hours from Montreal. Write bklt. and Rates Mont Tremblant, P.Q., Canada.

How about post-war jobs?
(Bill buttonholes the boss)

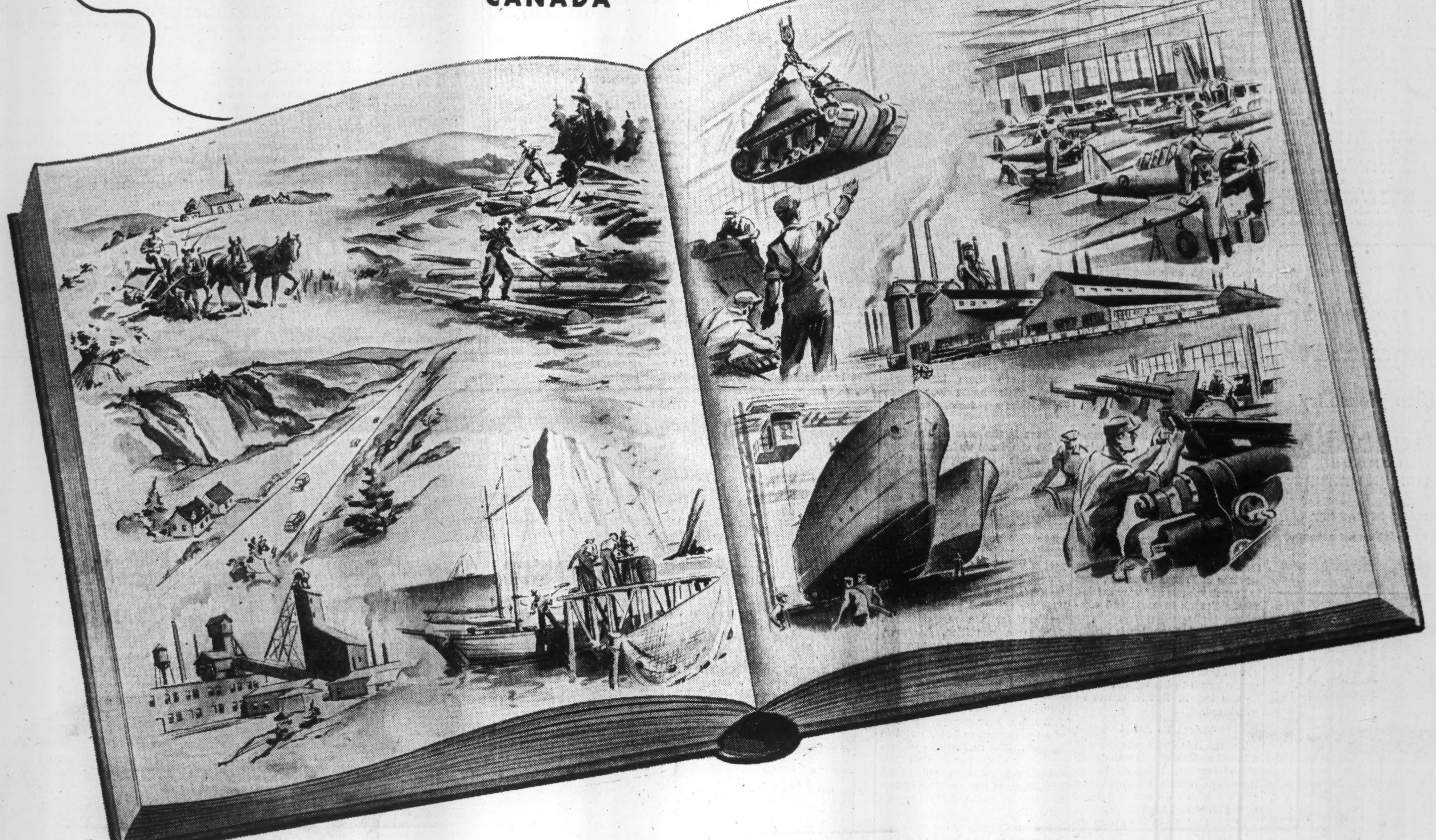
"DON'T worry", said the Boss. "We're going to have plenty of work to do after this war.
"The construction industry will boom, hundreds of thousands of new homes are needed and will be built in Canada. There's a big deferred demand for our products and new uses for linoleum will greatly expand our markets. The post-war period will offer plenty of opportunities."
Down through the years the employment record of the Dominion Oilcloth & Linoleum Company Limited has been excellent. Through the depression the welfare of the employees was protected and employment was maintained at an exceptionally high level. But that is only half the story. Over twenty-five years ago this company introduced a pension plan securing the worker against the worry of want in the future. Other benefits have since been added improving working conditions and giving greater security to Dominion employees. Confidence in the future of Canada reigns high with this company and the executives are busy now with plans to provide continued employment for its workers after the war.



Hundreds of thousands of aluminum, steel and steel alloy parts for aeroplanes are being shaped on the huge hydraulic linoleum presses.
Millions of yards of army duck and anti-gas fabrics have been proofed against water, flame, mildew, gas and the arctic weather.
Huge quantities of linoleum have been supplied for naval vessels, Air Force schools, administrative establishments, munitions plants and hospitals.
BUILDING FOR WAR • PLANNING FOR PEACE

Manufacturers of Dominion Battleship Linoleum and Marboleum

WRITING NEW PAGES IN THE BOOK OF HISTORY OF
La Province de Québec
CANADA



FAMOUS to many thousands for its Old World hospitality and unspoiled way of life, La Province de Québec has added a bright new chapter to its 300-year-old history. A chapter of war . . .

THE French Canadians who fought side by side with their English-speaking comrades at Dieppe and other world fronts are symbolic of the spirit of all our sons who are today serving Canada. For those at home are busy launching ships and building planes, producing munitions and equipment in an ever-increasing stream. This peacetime playground is at war.

This year again, our friends from all over Canada and the United States will not be able to visit us as freely as before the war. We will miss their company. Those who are fortunate enough to visit us on business are warmly welcome, as always. And to our visitors of former years — as well as those who look forward to discovering this grand old vacation-land for the first time — we extend a hearty invitation to vacation with us in La Province de Québec when Victory has been won!

Through its executive departments of government, La Province de Québec has reflected its growing share in the war effort of Canada and the United Nations . . . through the effort of the sons and daughters at home and overseas.

The Department of Agriculture has called on the farmer for maximum production, and that call has been heard. Acceleration of output has far exceeded the most optimistic estimates. War products of animal origin are being stressed, — bacon, milk, butter, cheese, eggs, wool, in particular. The production of flax is also being tremendously stimulated. The Québec farmer is to be highly congratulated for the courage, perseverance and patriotism he is demonstrating, under the splendid guidance of this government Department.

The Department of Roads has concentrated on the building and maintenance of important military and strategic highways in the Province.

The Department of Public Works has built and maintained important bridges, all over the province, and all tolls over bridges have been abolished.

The Department of Lands and Forests reports that the huge Crown forests of the Province are supplying pulp, paper and lumber industries in Canada and abroad with tremendous quantities of products. Hydro electric development represents now 5,700,000 H.P. while the total possible development is 17,000,000 H.P.

The Secretariat of the Province, through the Aid to Youth Service, is directing its efforts to provide trained and specialized labour for Canada at war.

The Department of Health has announced that during the past year our infant mortality has shown a marked drop, while the Province has also shown the lowest mortality record in fifteen years.

The Department of Commerce and Industry, in war as in peace, has continued to give added impetus to the manifold trade relations of the Province.

The Department of Labour and Mines has done its proverbial yeoman service in employer-employee relations, with efficiency and dependability of the labour market a continuing splendid result. In the mining field the Department's controlling policy has been primarily that of tuning mineral production to war needs. The supervision of old-age pensions, allocations to needy mothers, pensions for the blind, and other means of public relief is another contribution of this important Department towards uplifting the public morale.

The Treasury Department, in supervising the Province's finances, collecting Provincial Revenue, and controlling the budget has passed a year of constant activity in service to a people devoting all its energies to the prosecution of war. A substantial surplus has marked the closing of the financial year.

The Tourist and Publicity Bureau, largely cut off from any possibility of new expansion in outside-Canada traffic, is devoting itself to the consolidation of its splendid position in that field, and stressing the promotion of inter-provincial understanding and goodwill. This latter item of policy is expected to do much towards the promotion of that Canadian unity from coast to coast which Québec holds to be perhaps the greatest of all factors in both the present and the future weal of our Dominion. Québec City has had the honor of being chosen as the meeting place of the National Tourist Convention.

The executive of La Province de Québec, in the effective direction and co-ordination of our governmental activities, has had close and constant experience of the Province's great and many-sided war effort. Through the officers and heads of executive departments, it has implemented and accelerated our work in furnishing materials for war, men to the armed forces, and dollars for Victory through War Bonds and Certificates. An extensive plan has also been delineated for postwar development and reconstruction.

LA PROVINCE DE Québec
CANADA

TOURIST AND PUBLICITY BUREAU

48-50 ROCKEFELLER PLAZA
NEW YORK CITY (20) N.Y.

PARLIAMENT BUILDINGS
QUÉBEC CITY, CANADA